

Zhao Says He'll Avoid Pressing Reagan to End Military Aid to Taiwan

By Christopher S. Wren
New York Times Service

BEIJING — Prime Minister Zhao Ziyang said Tuesday that when he visits the White House next week, he will not press President Ronald Reagan to halt immediately or completely the sale of U.S. military hardware to Taiwan. But he added that he expected the United States to abide by its pledge in a 1982 communiqué to start phasing out such sales. Mr. Zhao made the comment in a meeting with American and Canadian correspondents stationed in Beijing, whom he received before his trip to North America.

The prime minister said little that was new in the meeting at the Great Hall of the People. But his remarks were clearly conciliatory, as he sketched out prospects for cooperation and played down difficulties that have beset the relationship over the past few years.

He cautioned, however, that although "great progress" had been made, "the level of Chinese-U.S. relations is far from what should be desired."

"We hope that through joint efforts of our two sides, we will be able to remove obstacles, so that relations between our two countries can develop on a stable and durable basis," he said.

Mr. Zhao also made clear that the political climate would continue to affect China's economic dealings with the United States.

"If the potential in economic cooperation and trade and technological cooperation are to be fully kept," he said, "there must be a good political relationship."

Turning to the major obstacle, Mr. Zhao repeated Beijing's position that U.S. backing for the government on Taiwan constituted interference in China's internal affairs.

"China is not against the United States maintaining unofficial economic, trade and cultural relations with the people in Taiwan," he said. "Actually, there are relevant provisions for it in the communiqué establishing diplomatic relations."

But he insisted that the United States must not regard Taiwan as a separate political entity. Three successive communiqués now govern Chinese-U.S. relations, Mr. Zhao observed, and China made no demands beyond them.

Shanghai communiqué, which opened the way to normalization: the document that created diplomatic relations on Jan. 1, 1979, and the communiqué of Aug. 17, 1982, that attempted to bridge differences over Taiwan.

All these documents accepted the premise that there was only one China, with Beijing as its capital, and that Taiwan was an inalienable part of the country.

Mr. Zhao observed twice that the 1982 communiqué stated that U.S. military sales to Taiwan would not exceed in quantity or quality the levels of deliveries in recent years and that the U.S. side intended gradually to reduce the arms sales.

After more than a year, Mr. Zhao said, arms sales had not declined in quantity and had improved in quality. "The Chinese people are most unhappy about it, but we have not adopted any drastic approach," he said.

Mr. Zhao added, "I'm not going to ask President Reagan or the U.S. government to stop immediately or completely the U.S. arms sales to Taiwan."

In response to another question, Mr. Zhao implicitly denied that the United States and the Soviet Union were equally bent on expansionism, as the Chinese press routinely implies.

Referring to the Soviet troop buildup along China's northern border, Mr. Zhao said: "I believe that we know better than the Americans where our threat comes from. In this regard, we do not equate the United States and Soviet Union either."

There have been reports that the two sides are working on a non-binding agreement that would make U.S. technology and skills more available to Chinese industry, and that this might be signed when Mr. Zhao is in Washington or when President Reagan pays a return visit to China in April. A new cultural agreement is also due to be signed.

Mr. Zhao declined to say if these documents would be ready for his visit.

The prime minister said that he would fly across the United States three times during his trip. He will first visit Hawaii, where he arrives this weekend. Then he will visit Washington, New York and San Francisco between Jan. 10 and 16, before flying to Ottawa for the Canadian portion of his trip from Jan. 17 to 23.



China's prime minister, Zhao Ziyang, meeting Tuesday with U.S. and Canadian reporters.

Arafat Future Is Unclear After PLO Group Meets

The Associated Press

TUNIS — The Palestine Liberation Organization's mainstream el-Fatah guerrilla group has ended a central committee meeting in total accord, according to one of its participants.

But a newspaper in the Gulf state of Oman said Tuesday that Yasser Arafat, the Fatah chief and PLO chairman, was in danger of being toppled.

A senior Fatah official, Khaled al-Hassan, said the committee meeting Monday after the PLO chairman unexpectedly met with President Hosni Mubarak of Egypt last month, had ended in total accord and agreed a new strategy.

Hardline opposition to Mr. Arafat's leadership has led to a revolt in the PLO and Fatah, the largest group under the PLO umbrella.

Mr. Arafat and 4,000 loyalists were evacuated from Tripoli, Lebanon, on Dec. 20 after they had been besieged by Syrian-backed PLO rebels for six weeks.

Mr. Arafat said last week that he hoped to heal the Fatah divisions during the meeting in Tunis.

The agenda included a discussion of Mr. Arafat's meeting with Mr. Mubarak after the evacuation from Lebanon. Egypt has been condemned by most Arab nations for signing a peace treaty with Israel in 1979.

The Oman-based newspaper Al-Khaleej reported Tuesday that the Fatah leaders agreed on a statement rejecting Mr. Arafat's trip to Egypt, rejecting President Ronald Reagan's 1982 Middle East peace plan and reaffirming a commitment to collective leadership, apparently a slap at Mr. Arafat's go-it-alone style.

"The central committee is fully prepared to accept Arafat's resignation, should he decide to submit it," Al-Khaleej quoted an unidentified senior PLO official as saying.

It said that if Mr. Arafat refused to endorse the statement or to resign the issue would be turned over to the 70-member revolutionary

council, which has the power to determine the PLO leadership.

"All justifications put up by Arafat have been rejected, and the central committee voted 10-1 against his meeting with Mubarak," the newspaper said.

Riots Spread In Tunisia

(Continued from Page 1)

started to degenerate in a dramatic fashion. Stones are being thrown at cars and stores and people are extremely agitated. They are ready to fight, and some of them are armed.

Army reinforcements are all around the governor's office.

Journalists in Sfax reported that all roads leading to the southern part of the country had been blocked. Rail traffic to the port of Gabès, another 95 miles further south, was halted and the railway station in Sfax was jammed with people waiting for transportation.

It was impossible to collect accurate figures on the number of dead and injured in the five days of rioting. An official statement issued after an emergency cabinet meeting Monday acknowledged that four people had died in widespread disturbances in the first four days and numerous people were injured, including police.

Union sources said at least 15 people had died in the demonstrations through Monday. Other unofficial reports said at least 10 more people died Tuesday in the El Kef area. However, communications were cut off with the cities concerned and no official figures were being announced.

"Disturbances and demonstrations have broken out since Dec. 29 on public streets in the regions of Kef, El Hamma, Kasserine and Gafsa," according to the government statement issued Monday.

(Reuters, AP)

South Africa Guerrilla Movement Enters More Violent Era

(Continued from Page 1)

For several years the ANC carried out a campaign of "armed propaganda" — attacks of maximum visibility designed to demonstrate its strength to the South African public and to convince foreign investors that their assets were at risk if they remained in the country.

Civilian casualties were held to a minimum, and the organization's president, Oliver Tambo, even signed a protocol of the Geneva Convention in 1980 pledging "humanitarian conduct of the war."

But the movement's leaders say they now have moved into a new phase of "people's war" that inevitably will prove bloodier and could lead to more civilian deaths.

The U.S. Central Intelligence Agency, in an assessment made public last year, reported that the ANC "could have inflicted a large number of white casualties if it had chosen to do so."

Such a strategy would mark a major departure for a movement that has prided itself on ignoring racial differences. The ANC's Freedom Charter, the 1955 statement of general principles that still serves as the movement's platform, begins with the claim that "South Africa belongs to all who live in it, black and white, and no government can justly claim authority unless it is based on the will of all the people."

The movement has always welcomed as members anyone who believes in the principles of multiracialism and socialism. Nearly half the members of the ruling National Executive Council are believed to be Communist Party members.

The long-standing alliance between the ANC and the South African Communist Party has served both sides well, according to ANC leaders. The Communists have supplied access to funds, training and, in later years, weaponry that has helped transform the ANC into a potent military movement. In return, the small Communist Party

gained legitimacy and a key role in the last black freedom struggle on the African continent.

But the relationship has led to charges from South African officials and a U.S. Senate subcommittee on terrorism suggesting that the movement is nothing more than Moscow's puppet.

Even some blacks see the movement as white-oriented and Communist-controlled.

A former South African justice minister, James T. Kruger, in 1978 estimated the Soviet contribution at \$8 million a year. But the United Nations said to be the largest contributor, providing nearly \$10 million last year to the ANC and to the splinter Pan-African Congress, plus several million dollars more from agencies such as the UN High Commission for Refugees.

The ANC will not reveal the size of its budget, nor the sources of its money.

Several analysts said it would be wrong to expect the ANC to turn a black-ruled South Africa into a Marxist state. They believe a better indication of the ANC's likely path was Mr. Tambo's 1981 meeting in New York with leaders of U.S. corporations and banks who do business in South Africa, where he assured the businessmen that their

companies would be welcome, although under changed rules, in post-apartheid South Africa.

Despite the international money and support, many analysts believe the biggest factor working for the ANC has been the continued smoldering of black resentment inside South Africa.

When, following the Soweto uprisings, thousands of young blacks fled South Africa, the ANC was ready for them with a network of political offices, military camps, factories and farms it had built in 11 countries after the 1960 imprisonment and exile of its leaders.

The new recruits "were not really more radical, but they did bring in new ideas and a new mood," said Francis Meli, spokesman for the ANC's London office.

The results have been the upsurge in sophisticated sabotage attacks, of which the Pretoria car bomb was the most devastating. Mr. Tambo termed the civilian deaths in that attack "a matter of regret," but added, "don't you think that we have offered the other cheek so many times that there is no cheek left to turn? Never again are our people going to be doing all the bleeding."

Next: South Africa's Response

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Iraq, Kurds Are Said to Sign Truce

Accord Grants Rebels Increased Autonomy

Reuters

BAGHDAD — President Saddam Hussein of Iraq has signed an agreement with a Kurdish rebel leader, Jalal Talabani, for a cease-fire in Iraqi Kurdistan and broader autonomy for the 2.5 million Kurds in the area, diplomats said Tuesday.

They said the agreement, signed last month, envisaged "free and democratic elections" for legislative and executive councils for the autonomous region in northern Iraq.

It also proposed the formation of a 40,000-member Kurdish army to "protect Kurdistan against foreign enemies," meaning Iran, Iraq's enemy in the three-year Gulf war.

Quoting Kurdish sources, the diplomats said the Iraqi government had promised to allocate 30 percent of the state budget to rehabilitate areas destroyed by the war in Kurdistan and to build new development projects in the region.

There was no official confirmation by the government, but the diplomats said President Hussein was expected to announce the agreement in an address to the nation on Army Day, Jan. 6.

Nearly two decades of revolt by Iraqi Kurds ended when Iran and Iraq signed a treaty in 1975 and agreed to share the Shatt al-Arab waterway at the head of the Gulf.

In exchange, the late Shah of Iran withdrew support for the Kurdish rebel leader at the time, Mullah Mustafa Barzani. In 1977, the autonomous region in northern Iraq was created.

The Kurdish sources said that under the latest agreement the autonomous region, taking in the Sulaimaniya, Dohuk and Erbil areas, would be expanded to include parts of Kirkuk and Khanaqin, near the Iranian border.

Israeli planes bombed a position in the Druze-held Chuf town of Bhamdoun, east of Beirut, a gunman critically injured a French Embassy driver, rival factions battled in the northern city of Tripoli, and shelling erupted in the south between Druze Muslim militias and rightist Christian groups.

Tuesday's agreement was intended to shore up a cease-fire agreed upon Sept. 26, and to separate combatants in Beirut's southern suburbs, the Chuf and the province of Kharrouh to the south.

In the suburbs, the Lebanese Army has had repeated confrontations with the Shiite Muslim militia called Amal. In the Chuf, it has clashed with militia from the Progressive Socialist Party, the chief Druze political grouping. In Kharrouh, the Progressive Socialists have fought with the Lebanese Forces, rightist Christian militias that hold a narrow coastal enclave.

The plan envisages withdrawals and the formation of zones along which, sources say, the government would ask Greece and Italy to provide observers.

Earlier Tuesday, the Jive power station in Kharrouh, which supplies Beirut with electricity, was damaged in shelling between Druze and Christian militiamen.

The Kharrouh fighting followed battles in Tripoli in which three civilians were wounded.

(Reuters, AP)

Sumatra Elephants Eat Crops

Reuters

JAKARTA — Herds of hungry elephants are devastating cropland around villages in southern Sumatra despite efforts by farmers to drive them off by making loud noises, the Indonesian news agency Antara said Tuesday.

WORLD BRIEFS

ACLU Lambastes Reagan on Rights

WASHINGTON (NYT) — The American Civil Liberties Union accused the Reagan administration Tuesday of having demonstrated "an unprecedented hostility" toward civil rights and freedom of speech in 1983.

A special report by the ACLU national legislative director, John Shattuck, said: "The president is operating far outside of any national consensus on issues of fundamental justice." Mr. Shattuck praised Congress for having resisted what he called an assault on civil liberties.

The report cited President Ronald Reagan's attempt to change the membership of the U.S. Commission on Civil Rights and the ban on news coverage of the U.S. invasion of Grenada. It also said that, in the name of national security, the administration had set up "a vast censorship system" in federal government and loosened restrictions on FBI surveillance of political activities.

Marcos's Foes Will Contest Elections

MANILA (UPI) — A coalition of 12 opposition parties has decided to challenge the government of President Ferdinand E. Marcos in parliamentary elections in May rather than boycott the polls, its leader says.

"We want to give democracy one last try in this country before we give up the parliamentary struggle," Salvador H. Laurel, president of the United Nationalist Democratic Organization, said Sunday in an interview.

Mr. Laurel said there was a faction that "believes in violence" and another that wanted to boycott the elections and begin a civil disobedience campaign. But he said the opposition had decided to contest all seats in the 187-member national assembly.

Israeli Protest Austerity Measures

TEL AVIV (UPI) — Thousands of Israeli civil servants disrupted government services Tuesday to protest government economic austerity measures, including a 15-percent boost in the subsidized prices of bread, meat and dairy products.

Israel's largest labor union, Histadrut, accused Finance Minister Yigal Cohen-Orgad of "acting dishonorably and indecently" in pushing plans to cut government spending and reduce the annual inflation rate of 160 percent.

Picketing workers at the Foreign Ministry prevented nonstaffers from entering and held up the sending of diplomatic mail to Israeli embassies and consulates. Interior Ministry workers refused to issue new permits and identity cards, to answer telephones and to send mail. Electric company employees closed several offices, and tax collectors limited their reception hours.

Barre Assails Mauroy Over Oil Report

PARIS (AP) — Former Prime Minister Raymond Barre on Tuesday called his successor, Pierre Mauroy, "irresponsible" for releasing details of a failed oil-prospecting project in which the state-owned company, Elf Aquitaine, lost 1 billion francs (\$120 million at current exchange rates).

Mr. Barre was replying to Mr. Mauroy's charges Monday that Mr. Barre and former President Valéry Giscard d'Estaing had tried to cover up the failure. The report, which Mr. Mauroy released on Monday, says officials had been fooled for almost three years because the sellers had refused to allow close inspection of their "secret," a jumble of tubes inside a unit that projected a pre-recorded image onto a screen.

The issue has become known as the "smoking aircraft affair" because it involved a scheme to detect oil and gas deposits from the air. Mr. Barre responded to Mr. Mauroy's charges in Le Monde, telling the newspaper that revealing details of the project was a "grave error" in which national honor had been sacrificed for political gain.

Bid to Restart Paris Auto Plant Fails

PARIS (Reuters) — An attempt to restart production at the Peugeot-Talbot car factory near Paris failed as strikers used forklifts to block entry to the assembly plant.

A spokesman for Talbot said the company would try again to resume production Wednesday.

Earlier, some employees scuffled with other members of the work force as attempts were made to restart production. Maintenance teams had prepared the plant for renewed production after riot police cleared strikers from the factory during the weekend.

Some Flick Charges May Be Dropped

FRANKFURT (Reuters) — Some of the charges against the former West German economics minister, Hans Friderichs, in the tax case involving the giant Flick holding company will probably be dropped, a regional court official said Tuesday.

Hermann Hillebrandt, chief prosecutor in Bad Kreuznach, said that an inquiry into charges that Mr. Friderichs had destroyed financial records for the years 1975 to 1977 indicated insufficient grounds for prosecution.

The investigation began in December, independently of the main charges in the Flick case, brought by the Bonn prosecutor. In that part of the case, Economics Minister Otto Lambrecht and Mr. Friderichs were charged with taking bribes in return for helping to secure a \$165-million tax concession. They have denied the charges.

Windstorms Hit Northern Europe

LONDON (Combined Dispatches) — Winter began with a vengeance in Northern Europe Tuesday, drenching and whipping much of the Continent with snow, hail and gale-force gusts and shattering illusions of what seemed the warmest winter in years.

Powerful winds with icy gusts of up to 100 mph (167 kph) lashed much of the British Isles, leaving at least seven persons dead, seven missing and knocking down power lines and playing havoc with road transport.

On the southern English coast Tuesday, winds blew down the walls of several homes. In Wales, a bus was blown off a highway and in the port of Milford Haven a 500-ton gas tanker broke its moorings during the storms.

(AP, UPI)

For the Record

Richard B. Stone, President Ronald Reagan's special envoy to Central America, started visits Tuesday to Guatemala and Honduras in a renewed effort to find a solution to fighting in the region, U.S. officials said.

Nine Soviet diplomats and officials left Dhaka, Bangladesh, for Moscow on Tuesday after they were declared "undesirable" by the Bangladesh government, officials said. (UPI)

Jean-Marc Leccia, 40, wanted in connection with the murder in June of a Corsican nationalist leader, Guy Orsini, was arrested by the FBI in Florida during the weekend, the FBI said Tuesday. He is being held on a charge of unlawful flight to avoid prosecution, pending proceedings for extradition to France. (Reuters)

Recent Defeats Said to Harm Morale of Salvadoran Troops

(Continued from Page 1)

over, nearby army troops did not arrive in time to effectively reinforce those defending the span.

The official noted that the Cucatan bridge was blown up two and a half hours after the attack began, leaving the government sufficient time to react.

He said he was aware of only three government casualties, which indicated to him that the troops did not put up much of a fight.

"Let's say we are all disappointed," he said. "It would have been nice to keep the bridge."

Responsibility for protecting the Cucatan bridge had been in the hands of Lieutenant Colonel Domingo Monterrosa, who took command of the eastern sector of the country last month.

U.S. military analysts have called Colonel Monterrosa one of the best commanders because he has the reputation for leading his troops and staying with them in the countryside. Morale in the eastern part of the country had been thought to have improved somewhat under his command.

The colonel is also known to be respected by other military officials. In a recent offensive in Morazan, military analysts noted that

New Nigerian Regime Makes Loan Payment

(Continued from Page 1)

other for \$500 million signed Sept. 19.

With oil exports running at around 1.3 million barrels a day, little more than half their peak four years ago, Nigeria has amassed foreign debts of \$14 billion and a backlog in trade payments of \$4 billion to \$5 billion.

For the past six months, the country has been negotiating with the International Monetary Fund for a \$2.5-billion loan package to help cover the debts. A Nigerian team was to meet with IMF negotiators in Washington on Jan. 16 to complete arrangements.

There has been no word from Lagos on whether the talks will go ahead, but banking sources said the repayment Tuesday tended to show that the military government would continue existing plans.

The coup has been broadly welcomed by Nigerians and some soldiers have been touring markets forcing traders to reduce prices of food and other goods.

The Nigerian press agency, quoted by Lagos radio, reported that a new market in Benin City was razed Sunday after "widescale looting."

And in Makurdi, in south-central Nigeria, the press agency reported that shop owners and food sellers closed the main market because of looting and demands for lower prices.

Telecommunications officials started reconnecting telephone and telex links cut during the coup.

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The Casualties of the Steel Industry's Doldrums

Message of Hope Fails to Relieve Prospect of Unemployment and Hard Times in Cleveland

By Margaret Engel

Washington Post Service

CLEVELAND — The weeks after Christmas are always demanding for the Rev. John Kent, who helps to sort out the tangled emotions and expectations of the holidays for the 1,500 members of St. Stanislaus Parish in the steel-mill neighborhood known as Warsaw, Little Warsaw.

But last week brought the news that U.S. Steel, the neighborhood's third-largest employer, is closing its nearby Cuyahoga Works plant. It is part of a national bloodletting that will cost more than 15,000 steelworkers their jobs and reduce the nation's largest steel company to 50 percent of its capacity.

While other parts of the country might be basking in the glow of booming after-Christmas sales and encouraging expectations for the New Year, Father Kent is grappling with the latest casualties of Steel's economic crisis.

Two foundations, steel and the Roman Catholic Church, have held this community firm since the days when the steel companies sent cattle boats to Poland and Bohemia to hire peasants for this industrial heartland. With one of those twin pillars crumbling, Father Kent knows his words and comfort are essential to the devastated spirits of his flock.

"I was going to project a world of joy, of hope," the aging Franciscan priest said of his Sunday sermon. "But that's terribly difficult now. You can't speak to a man about God when his stomach is empty."

"Some of my people are almost in a state of shock," Ron Podowski, 30, is one of the 884 employees who will lose their jobs at the plant in April. He is the third generation of his family to work at the finishing plant; his father and grandfather retired from U.S. Steel after spending their lives making rods and wire.

Mr. Podowski was earning \$10.30 an hour and decided he could not accept the company's request that he be paid back at least \$4 an hour to make the plant competitive with smaller, nonunion operations.

Before deciding in November to vote with the majority of workers and reject U.S. Steel's offer, Mr. Podowski visited his father's grave several times for guidance.

"I voted not just for me, but for my wife's brothers at Republic Steel and for other workers," he said. "We went out from under the umbrella of the master contract last year and took pay cuts for the promise our plant would be modernized, and nothing happened. The time for concessions has

stopped. You get no guarantee the plant will stay open anyway."

The Podowski family will live on his unemployment benefits and the earnings of his wife, Beverly, who is paid \$4 an hour selling cameras and jewelry part-time at K mart, a discount department store.

The seven months that Mr. Podowski was laid off last year exhausted the family's savings. The Podowskis rent a house they were hoping to buy, but that dream is slipping away. They recently took out a five-year consolidation loan to pay bills. They no longer use their clothes dryer or dishwasher. They have covered their windows with plastic and have shut off two rooms to conserve heat.

The Podowskis have a daughter, Jessica, 6, and a son, Adam, 3. "I should be grateful to U.S. Steel," said Mr. Podowski. "I put clothes on my back when I was my son's age. But they tore my life apart. I have lost a lot of respect for big corporations."

His sentiments were echoed by dozens of his colleagues, workers who believe that they were asked to sacrifice too much in pay, working conditions and benefits by their longtime employer.

"I can live on \$5 to \$6 an hour," said Karl Kwela, who has been at the plant for 16 years and who lives with his 73-year-old widowed

mother. "But the other men in the plant can't, and they shouldn't have to."

Although the steelworkers' vote may have maintained their pride, it speeded the decline of the city's industrial base. The loss of the steel plant is "devastating," said Mayor George Voinovich, who has asked voters for a half-percent payroll-tax increase to raise \$25 million to cope with continued high unemployment, currently 15 percent.

"The tax base will be hurt, no doubt about it," said Francis Gaul, Cuyahoga County treasurer, who said the steel plant now pays \$844,293 in property taxes, 65 percent of which goes to the schools.

Mr. Gaul and others agree that for the short term, both the neighborhoods and its institutions will survive. Investment income on county tax receipts is up, and many local home mortgages are paid.

"But for the people in the prime of their life," Mr. Gaul said, "it's devastating. These fellows have a narrow background. It's a time of transition, and they get shaken out."

The laid-off steelworkers have plenty of company in Warsaw.

"Already 7,000 workers in these two wards have lost their jobs in the last year and a half," said Tadeusz Brian Paul, editor of the Slavic Village Voice, a monthly newspa-

per. "What can one do but pull in their belts? These are proud people who have always managed. The question is when will their funds run out?"

Ben Stefanski, president of Third Federal Savings and Loan, known throughout Cleveland's ethnic neighborhoods as the working man's bank, says the signs of financial struggle won't be visible.

"We won't have 'For Sale' signs or 'For Rent' signs," said Mr. Stefanski, whose institution has the highest reserves of any in Ohio because of the frugality of his customers. "This area stands for thrift and home ownership. They'll use cash reserves and get help from their folks. Our foreclosures will stay low because these people save and do without."

The workers are too proud, self-sufficient and thrifty in turn in one of the newly established soup kitchens; instead, there is much talk of picking up some income doing carpentry and home repairs.

But a sense of trust and stability has been lost.

"When they make those decisions in the boardroom, they've got to have truly Christian concern and take a look at the pain it's causing," said Mr. Gaul.

In Pittsburgh, a U.S. Steel spokesman, William Keslar, said it



Workers at the U.S. Steel plant in Homestead, Pennsylvania, are among 15,000 affected.

was with great reluctance that the company announced the firings and closings of six major plants and reductions at 24 others. Although it is widely known that Wall Street analysts agreed with U.S. Steel that the retrenchment was necessary to save the corporation, it is a hard message to accept.

Dennis Kucinich, a former Cleveland mayor who represents the Warszawa neighborhood on the City Council, says: "Wall Street

can do all the cartwheels they want, but I'm talking about the Fleet Avenues of America. They can't extol the virtues of an economy that's excluding 10 million people."

Al Di Francesco, 49, who is losing his job as a biller hooker after 22 years, is among the "scared and frightened." Unwilling to leave his roots here, he knows his chances of finding an industrial job are slim.

In Cleveland alone, the number of steelworkers has dropped from

47,400 to 27,000 in two years. The union holds food drives for out-of-work members and devotes its energy to fighting the establishment, with federal funds, of nonunion "mini" mills in Cleveland and to passing a state law to delay unemployed workers' mortgage payments.

"We watched the auto workers go down," said Mr. Di Francesco. "We feared being the next ones and now we are."

Medical Care Increasing In India's Rural Villages

New York Times Service

DHENDHE MAU, India — It is considered a measure of India's achievements that, 36 years after independence, the most obvious signs of death and disease have been eliminated or brought under control.

But while the worst communicable diseases have been largely halted in villages like Dhendhe Mau, and clinics for the treatment of acute illnesses and injuries proliferate in the countryside, nutritional and environmental problems continue to ravage millions.

Life expectancy in India has risen from 23 years at the turn of the century to 32 in 1951 to 54 in 1981 because of a dramatic drop in infant mortality. Still, a government health study concluded in 1981 that "although the average Indian may now live longer, his frequency of illness is only marginally less than that of his forefathers."

Smallpox has been eradicated, immunization has effectively controlled whooping cough, diphtheria, and polio, according to government statistics. Cholera and malaria have been curbed.

"The change is very fast now," said Dr. F.L. Zuberi, director of a government health center in Mahabadi, in the state of Uttar Pradesh, where the residents of Dhendhe Mau go for treatment of their most serious ailments.

Famines no longer cause thousands of outright deaths, mostly because sufficient emergency grain stocks have long since been established. But lower levels of malnutrition are common, and Dr. Zuberi said that he sees at least one serious case at his clinic every day.

Aside from malnutrition, Dr. Zuberi said, the most frequent ailments

are infestation by ascaris worms, amoebic dysentery and tuberculosis, the one serious communicable disease still rampant in India. Still, conditions are improving.

In 1972, Dhendhe Mau, a village of 1,300, had no medical practitioners except a folk-medicine specialist in dog bites, who prescribed and still prescribes a secret root; another specialist who treated bronchial asthma by reciting words from Hindi and Moslem holy books; and a practitioner of traditional Hindu herbal remedies.

Since then, however, have come people like Sarsawati Palit, who operates a small health clinic in Dhendhe Mau. She is nurse, midwife and principal instructor in personal health and hygiene to about 5,000 people in the area.

Trained for two years in a government institute, she provides prenatal care for expectant mothers, advises them on nutrition, gives them iron supplements, inoculates them against tetanus, delivers babies and treats minor illnesses.

Under another government program, "Brijnath Singh was sent away for three months' training as a 'health guide.' Now he runs a 'fever treatment center' in his brick house."

Mr. Singh is the first person most villagers see if they are sick or injured. If he cannot handle the case, he sends the patient to Mrs. Palit.

If she cannot handle the case, she sends the patient in to Dr. Zuberi's clinic, known as a primary health center. There are more than 5,000 of them across India.

Dr. Zuberi said his center averages 350 patients a day, which he views as evidence of growing acceptance of Western medicine. "They have found," he said, "that it works."

Afghan Army Gets Missiles From Russia

By Dusko Doder

Washington Post Service

MOSCOW — The Soviet Union has supplied Afghanistan's armed forces with an unspecified number of surface-to-air missiles, according to the Defense Ministry's newspaper, *Krasnaya Zvezda*.

The paper said the first Afghan "anti-aircraft rocket units" were being trained to use new weapons. The types of rockets involved were not specified, but Western experts said two photographs published in the paper indicated that they were SA-3s.

The article Sunday did not provide reasons for the decision to equip the Afghan Army with surface-to-air rockets.

Western military experts in Moscow said the introduction of the weapons did not appear to have any military significance for an army involved in a protracted guerrilla war against Moslem rebels. According to that view, the Soviet military contingent of more than 100,000 soldiers has been equipped with various types of surface-to-air rockets.

The Russians recently warned Pakistan that it was allowing "outside aggression" against Afghanistan to continue and even increase. Vitaly S. Smirnov, the Soviet ambassador to Pakistan, asserted that the United States was planning to airlift supplies to rebels inside Afghanistan.

The Communist Party newspaper, *Pravda*, accused the United States on Monday of planning to step up its supplies of modern weapons "to these gangster units" that are "operating out of military camps in Pakistani territory."

Poll Finds Americans More Optimistic as They Begin 1984

By Adam Clymer

New York Times Service

NEW YORK — In sharp contrast to their gloomy mood four years earlier, Americans approached 1984 optimistically, feeling that the present is as good as the recent past and that the near future will be significantly better, a poll shows.

But the levels of satisfaction with the present and of hope for the future vary widely among different population groups, the November poll by The New York Times shows, with men and whites as groups both more satisfied and more hopeful than women and blacks, and the old more optimistic than the young.

Blacks did see the future as markedly better than the present, displaying an optimism they did not show in 1979, 1981 or earlier last year.

The biggest differences were political; Republicans were much more satisfied and optimistic than Democrats. Four years ago, with a Democrat in the White House, Democrats were only a bit less dissatisfied and pessimistic than Republicans were.

These conclusions were derived from a series of questions to national telephone polls asking the

public to rate "the way things are going in the United States at the present time" on a scale of 1 to 10, and to do the same for the country five years earlier and five years in the future.

When a New York Times-CBS News Poll first used this index in November 1979, finishing the day before the U.S. Embassy in Iran was seized, the public gave the past an average rating of 6.47, the present a 4.83, and the future a 4.31.

Early in the Reagan administration the public returned to a traditional optimism, rating the future higher than the present. Even so, the past was still seen as better than the present in 1981. But in a Times poll conducted Nov. 18-22, 1983, the public rated the past at an average of 5.48, the present at 5.58 and the future at 6.13.

Five public opinion experts who examined the data from the most recent poll, along with a June 1983 Times poll and the June 1981 and November 1979 Times-CBS News polls, agreed that they demonstrated a decisive shift in the national mood.

Everett Carl Ladd, executive director of the Roper Center of Public Opinion Research at the University of Connecticut, said, "Over all, you've clearly got a situation where

the public is inclined to say the future is going to be better."

Patrick H. Caddell, president of Cambridge Survey Research in Washington, a poll-taker for many Democrats, including former President Jimmy Carter, agreed that the data represented a return to traditional optimism. But he said past levels of confidence had been higher. "Even though the line is a positive line," he said, "the numbers are lower than some in the past."

Robert M. Teeter, president of

Market Opinion Research in Detroit, a company that does surveys for Republicans, said the measurements clearly reflected a national belief that "things are getting better."

Dotie Lyne, president of Lynch Research in Washington, the poll-taker for Senator Gary Hart of Colorado, a Democratic presidential candidate, said: "The mood is up. Even for women, there's a general sense that things are working. Across the board, you

see people feeling better about the future."

Warren E. Miller, professor of political science at Arizona State University, principal investigator for the National Election Study, observed that in these polls "change is very much a function of partisanship." He said the data were much more encouraging for a president seeking re-election, as President Ronald Reagan may, than the 1979 data were for Mr. Carter.

Asteroid Count Quadrupled by Astronomers

By Thomas O'Toole

Washington Post Service

WASHINGTON — There are four times as many asteroids between the planets Mars and Jupiter as astronomers previously thought, according to observations by an orbiting telescope called the Infrared Astronomical Satellite, or IRAS.

"We see something like 20,000 asteroids out there in the asteroid belt," Gerry Neugebauer, chief IRAS scientist, said at the Jet Propulsion Laboratory in California, where the flight of the orbiting satellite has been directed.

Until IRAS was put in orbit last January, astronomers had identified 2,980 asteroids and had seen but not cataloged an additional 2,000 asteroids. Most are no larger than half a mile across, but some are almost as big as the moon. Almost all the identified asteroids are in orbit between Mars and Jupiter and stay there. A few, known as the Apollo asteroids, occasionally swing close to Earth in elliptical orbits.

The infrared telescope on the satellite took the new asteroid count by measuring the colors and temperatures of the bodies it saw whirling in orbit between Mars and

Jupiter. "Asteroids look much brighter than stars in the solar system background," Mr. Neugebauer said. "Their temperature in space is also warmer than most of the stars we see because they're so close."

The scientist also said the ring of dust that the satellite saw for the first time in the asteroid belt was almost certainly the product of a collision between two asteroids some 400 million years ago. The larger of the two probably survived, although it may have been broken into pieces. The smaller asteroid was probably pulverized, producing the dust that is in orbit between Mars and Jupiter just outside the asteroid belt.

Greece, Greek Cypriots Look to U.S. To Press Turkey on Cyprus Solution

By Marvin Howe

New York Times Service

ATHENS — Greek and Greek Cypriot leaders are looking to the United Nations for a solution to the Cyprus problem and to the United States to persuade Turkey to comply with it, Greek and Greek Cypriot officials say.

The officials said this plan was the result of recent talks here between Prime Minister Andreas Papandreu of Greece and President Spyros Kyprianou of Cyprus.

The two leaders emphasized that their governments sought a reversal of the Nov. 15 declaration of independence of the Turkish Republic of Northern Cyprus by Turkish Cypriots in the northern third of the island.

Mr. Papandreu spoke of the need for "concrete action" and said a solution must be found within the UN framework.

While the focus of the Cyprus issue now is the Turkish Cypriots' independence declaration, the problem dates to the island's independence from Britain in 1961.

The conflict intensified with the Turkish invasion of the island in 1974 in response to a rightist coup that briefly overthrew the government of Archbishop Makarios.

After the invasion, the United Nations tried to get both sides to establish a federal system of government.

The Turkish Cypriots have demanded that each side have equal representation in a Cypriot government. The Greek Cypriots insist on proportional representation. The island is home to half a million Greek Cypriots and 150,000 Turkish Cypriots.

Mr. Kyprianou is scheduled to visit the United States to meet with the UN secretary-general, Javier Pérez de Cuellar, to discuss a new overall solution for Cyprus and to confer with senior U.S. officials, possibly including President Ronald Reagan, according to Greek Cypriot authorities.

In an effort to achieve "an over-

all solution of the Cyprus problem in all its aspects," President Kyprianou will meet Friday with President François Mitterrand of France, a Greek Cypriot spokesman said Tuesday. Then Mr. Kyprianou will fly to the United States from Paris.

Greek Cypriot sources said the new solution should be based on agreements for a federal state, reached by the leaders of the Greek and Turkish Cypriot groups on Feb. 12, 1977, and May 19, 1979, which provide for a federal state with separate zones for the Greek and Turkish Cypriots.

An essential condition for Greece, officials said, is the withdrawal of Turkish troops, which have occupied northern Cyprus since the 1974 invasion. Turkish Cypriots have insisted that the 20,000 soldiers are necessary for their security.

Turkey announced Tuesday that

it was withdrawing some of its troops from the island in a gesture of good will.

But in Nicosia, Andreas Christofides, the spokesman for the Greek Cypriot government, dismissed Ankara's proposal to remove 1,500 troops from northern Cyprus as "an effort to create a good impression" on the U.S. Congress.

Mr. Christofides said that his government had abided by UN Security Council resolutions in calling for a withdrawal of the unilateral declaration of independence by Turkish Cypriots and nonrecognition of their self-proclaimed republic.

"What would be important is the withdrawal of all Turkish troops," Mr. Christofides said.

Greek and Greek Cypriot officials have said they will reject any step that could be interpreted as recognition of the Turkish Cypriot Republic.

Traffic Curbs in Athens Extended As Weather Worsens the Pollution

The Associated Press

ATHENS — The government on Tuesday widened a zone in central Athens in which cars may travel only every other day and included taxis in the restrictions for the first time.

It also ordered factories to curb fuel use as part of an effort to clear air pollution that was aggravated by unusually warm windless weather.

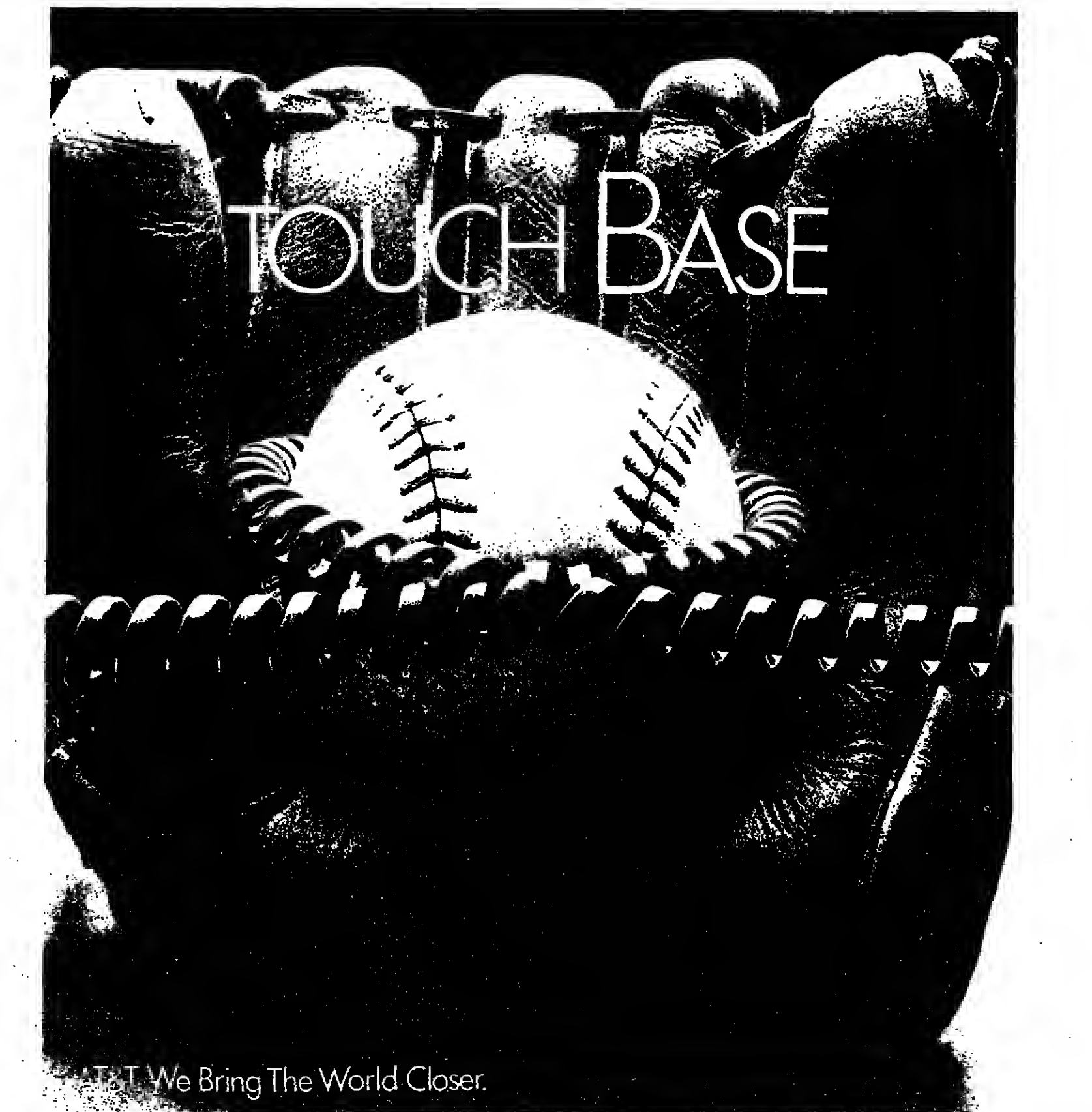
The new measures were the strictest ever in this city, which has been found to have the most polluted air in Western Europe. The Ministry of the Environment said the rules would be in force for at least 48 hours.

The measures extended the zone in which traffic is restricted from five square miles (13 square kilometers) to 36 square miles, and applied the alternate-day rule to

taxis as well as private cars. The Environment Ministry also ordered 115 factories in and around Athens to reduce fuel consumption by 30 percent. Central heating was switched off in banks, schools and government offices.

In addition, Athenians with lung problems were warned to stay at home until the smog cleared. Officials voiced hope that the measures might be lifted on Thursday, when weather forecasters expected the stagnant air to dissipate.

In April 1983, the European Parliament's environmental committee found that the air of Athens was the most polluted in Western Europe. Smog is particularly tenacious on hot, windless days, when car exhausts and factory smoke are trapped in the densely populated Attica plain, which is surrounded by mountains.



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BRIEFS

Reagan on Rights

American Civil Liberties Union today of having demonstrated "in its rights and freedom of speech in

national legislative director, John Shattuck, far outside of any national al justice." Mr. Shattuck praised Reagan's attempt to change the Civil Rights and the ban on new. It also said that in the name of a had set up "a vast censorship loosened restrictions on FBI surveil-

Contest Elections

12 opposition parties has decided to not Ferdinand E. Marcos in particu- try in this country before we give

on that "believes in violence" and decisions and began a civil disobedience had decided to contest all seats

Herity Measures

of Israeli civil servants dismissed est government economic austerity at in the subsidized prices of bread,

not, accused Finance Minister Yigal Y and indecently" in pushing plans the annual inflation rate of 160

diplomacy prevented nonstaffers from tipsonic mail to Israeli embassies kers refused to issue new passports bones and to send mail. Electric ires, and tax collectors limited their

by Over Oil Report

minister Raymond Barre on Tuesday "irresponsible" for releasing details which the state-owned company, Elf million at current exchange rates. Maury's charges Monday that he

Maury released on Monday, he three years because the seller has his "secret," a jumble of tubes inside image onto a screen.

"sniffing aircraft affair" became deposits from the air, Mr. Ben le Monde, telling the newspaper as a "grave error" in which national al gain.

Auto Plant Fails

to restart production at the Peugeot strikers used forklifts to block any company would try again to re-

with other members of the work re- duction. Maintenance team had re- duction after riot police cleared weekend.

May Be Dropped

ne of the charges against the former, Hans Frickens, in the tax case company will probably be dropped, a

secutor in Bad Kreuznach said that w- triches had destroyed financial records d insufficient grounds for prosecution member. Independently of the me by the Bonn prosecutor. In that para o Lambsdorff and Mr. Frickens e- urn for helping to secure a \$165-mil 1 the charges.

Northern Europe

stiches) — Winter began with a vage, drenching and whipping much of gale-force gusts and shattering blizz- ster in years.

ists of up to 100 mph (161 kph) blizz- least seven persons dead, seven miss- and playing havoc with road trans- port Tuesday, winds blew down the as was blown off a highway and in day gas tankers broke its mooring and

Reagan's Special Envoy

to fighting in the region, U.S. offi- cials declared "undesirable" by the

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No Surprise in Nigeria

In a country that has known two earlier coups, a civil war and 13 years of military leadership since becoming independent in 1960, it can be no surprise that democratic government has succumbed again to a military takeover, as it just has in Nigeria. President Shugu Shagari had won resounding re-election last August. But the extent — not the fact — of his margin was attributable to fraud and malpractice of dimensions that left Nigeria a "wounded democracy." The resulting disenchantment, combined with Mr. Shagari's inability to reduce the deep economic distress and pervasive corruption, produced a readiness — in some quarters evidently even a longing — for the sort of firmness and efficiency associated with military rule.

The new leader is Major General Mohammed Buhari, 41, a British-educated officer of both political and technocratic bent who had a hand in an earlier coup and also served as oil minister. He moved at a moment of his predecessor's certain vulnerability — two days after Mr. Shagari had presented the amended budget required under the terms of Nigeria's latest credit from the International Monetary Fund.

General Buhari made his move, he said, to save the nation from "imminent collapse." He takes upon himself and his military a burden that cannot fail to tax their capabilities to the utmost. The oil glut has left Nigeria, a country

almost wholly dependent on oil revenues, struggling to pay its bills and to meet the expectations of its estimated 100 million citizens. A country's resources are not automatically magnified by a coup.

As a sometime democracy, the United States' second largest oil supplier, black Africa's most powerful state and a friendly, Western-oriented country, Nigeria has long been of special concern to America. Oil and political considerations aside, Americans have been keenly interested to see whether the democratic enterprise could flourish on post-colonial African soil. Nigeria has been one of the few places on the continent where elected representative government seemed likely to take root. It could still happen. Economic and ethnic strains may push the central government toward coercion, but an African tradition of self-government and Britain's colonial teachings are still alive.

Nigeria is a giant struggling to live up to its own ambitious ideal. Its previous military leaders tried to avoid giving military rule the harsh name it has in most other African countries. Of the many tests before General Buhari, the first is to ensure that arbitrary vengeance is not wreaked upon the deposed civilian leadership, which, whatever its shortcomings, did represent the people's choice.

— THE WASHINGTON POST.

Purity vs. Effectiveness

The Reagan administration's effort to wreck a small but esteemed nonpartisan operation in Latin America proves how desperately it prefers doctrinal purity to effective policy. The Inter-American Foundation has been a highly useful aid agency whose nonpartisan character was prescribed by Congress and respected by three previous administrations. That concept was finally scuttled when the foundation's board, with Congress away, voted on party lines to fire its respected director, for slight and suspect reasons.

Congress gave the foundation the deliberately experimental task of promoting small-scale, self-help programs in the hemisphere. This modest \$23-million program — in a total foreign aid budget of \$4.6 billion — was expressly given a high degree of autonomy and a nonpartisan governing board. Most of the foundation's grants are for less than \$50,000 and go to private groups and enterprises in 29 countries — the kind that often make a critical difference but might otherwise be overlooked. Many on the staff are former Peace Corps volunteers applying an unashamed idealism to help farm cooperatives or out-of-the-way businesses of social value.

Early in the Reagan administration, a budget official wrote to Peter Bell, the foundation's president, to ask what authority justified the agency's claim to autonomy. A surprised Mr. Bell cited Congress' clear desire to insulate

his work "from the ebb and flow of political currents." A month later, the conservative Heritage Foundation, though conceding that the agency had done much good, accused it of favoring "collectivism" over free enterprise in ways "incompatible with the philosophy of the Reagan administration." Mr. Bell rejoined that \$100 million out of grants totaling \$135 million had gone to private businesses and farms, and that in any case the foundation was not meant to be the policy tool of a single administration. Under the administration brought the foundation to heel by naming to its board a conservative chairman and two State Department officials — by recess appointments, without congressional approval. This majority has now ousted Mr. Bell for his incompatible "chemistry."

The deplorable effect will be to dissipate the agency's most precious resource: its credibility as a nonpartisan source of aid. Its greatest contribution had been the contacts it developed at the grass roots, normally unreachable through embassies. Whether this useful work can continue depends on the sincerity of administration assertions that it will.

If a divided board names a president whose main qualification is fealty to rightist causes, that would turn the foundation's purpose on its head. Congress should pay attention and move in to defend its original good idea.

— THE NEW YORK TIMES.

Other Opinion

The Coup in Nigeria

The Army may be able to instill a little order but one does not see, saving a boom in the price of oil, how that suave-looking and evidently competent major general will be able to come property to grips with Nigeria's devastating economic difficulties, and all the problems that flow from them.

So long as oil revenues remained high Nigeria muddled through. She was, after the Biafran War, held together by oil.

Deprived of large oil revenues she is another tattered African state, only far more populous and far more ethnically divided than any other, and thus more prone to disintegration. How to govern this anomalous vestige of British imperialism?

— The Daily Telegraph (London).

America and UNESCO

The loss of confidence in UNESCO goes far beyond the borders of the United States. Western nations and much of the Third World, whose views it claims to represent, vigorously oppose the attempt to subvert press freedom. We hope that this U.S. expression of tangible disgust will provoke a rethink among those policymakers who are bending the noble aims of UNESCO to suit their own prejudiced will.

— The Bangkok Post.

The United States' motive of intent to quit the United Nations Educational, Scientific and Cultural Organization next year gives UNESCO valuable time to reflect and reform. A return to purpose — raising literacy in the poorest countries, saving historic art, spreading science in the Third World, sponsoring cultural and intellectual exchange across iron

bamboo and other curtains — would benefit the peoples of the world including the United States. Such reform would call for continued American membership.

But should UNESCO go on behaving as an echo chamber of Soviet political initiatives, an enemy of freedom, a shackle of culture, a foe of countries in which culture and freedom thrive, the U.S. would need to carry out its intent, even were the administration in transition. A threat once issued must be carried out.

— Baltimore Sun.

It is not entirely clear why the United States had to decide on its withdrawal now. We hope that the withdrawal becomes unnecessary before it is to become effective on Dec. 31, 1984. We are opposed to the invasion of freedom of the press, but UNESCO failed to establish a standard of journalistic activities at its general meetings in October and November. The U.S. reaction is exaggerated.

— Mainichi Shinbun (Tokyo).

Ma Bell Hangs It Up

Ma Bell died Sunday, age 107. She was slain, actually: Cut to pieces, parts scattered. And what consent decrees have put asunder, no man will join back together.

Disbandment of the Bell System shows that devotion to principle can sometimes bring potentially harmful results. In this case, settlement of an antitrust suit — in steps agreed to by the government and American Telephone & Telegraph, and presided over by a federal judge — has spelled inevitable and massive changes in the world's best and most reliable telephone service.

— Chicago Sun-Times.

U.S. Must Face Policy Failure in Lebanon

By Flora Lewis

PARIS — The pressure to withdraw the U.S. marines from Lebanon is building. It is understandable. The troops are doing nothing more than to protect themselves.

It must also be understood that history gives no refunds and no rain checks. It is not possible to walk out on a mistake and suppose things will revert to where we came in.

The choices must be faced. There is no evidence of "progress" since U.S. and European forces arrived in Beirut a year and a half ago, as President Reagan claims. Talks to "broaden the base of President Amin Gemayel's government," which Mr. Reagan cited, are deadlocked without hope of movement in existing circumstances.

There is much evidence of serious deterioration in Lebanon's imbroglio. Bloodshed continues daily. Neither the marines nor the massive naval force offshore can stop it. Theoretically, the United States could occupy the country. It took 100,000 Israeli troops to reach as far as Beirut and one-third of the Bekaa valley. But they have not been able to pacify even the limited southern area they now patrol.

Hundreds of thousands of American soldiers would have to be committed to a serious effort to impose peace on the country, and the chances of success would be poor. Lebanon is not an island. That is not a real choice.

Neither is trying to dig in on current terms. The marines have become invisible behind their barricades. They cannot keep the airport open all the time, supposedly their first task. They are in a prison, of their own making. Lebanese shun them. They not only offer no protection, their neighborhood is a dangerous zone. But the price

of just pulling out would be far higher than any yet paid in lives and treasure. Some 60 killed and over 200 wounded in two and a half days, when French troops abandoned two small checkpoints, should give forewarning of the immediate aftermath. Fighting would undoubtedly spread much more widely.

All states in the region, Israel as well as the Arab nations, and terrorists almost everywhere would conclude U.S. promises mean more trouble, not safety, for those who accept them, opportunity for those who defy Washington.

Allies ejected into joining the marines would doubtless withdraw completely at the same time. But it would strain relations. The United States could expect a deaf ear the next time it asked them to follow Washington's advice with manpower. Still, this could be done. It would be a bad choice, a disaster on the magnitude of the collapse of Iran into revolutionary frenzy and the subsequent drama of U.S. hostages.

These are not the only choices. To find a better one, there first needs to be a clear, realistic definition of what the U.S. and European forces are supposed to be doing.

There has never been one since the initial mission to protect Palestinian civilians in refugee camps, when troops returned after overseeing the departure of Yasser Arafat and his men from Beirut. That slid into a notion of keeping hostile factions apart, and that slid into a pipe dream of establishing Mr. Gemayel as the effective governor of a state with guaranteed "independence, sovereignty and territorial integrity."

Mr. Reagan has spoken of the day when joyous Lebanese will wave farewell to U.S. "liberators" waving the Stars and Stripes, as Filipinos did at the end of World War II. It dangerously escalates the delusion to imagine the marines' mission is the "liberation" of Lebanon.

The president honestly accepted responsibility for the marines' vulnerability when their barracks were attacked. He was right, but not by virtue of office. It was because the marines were told to pretend they were still "peacekeepers" on friendly terrain when they had been made party to hostilities.

Their mission can be no more than a now largely symbolic earnest expression of American support for whatever kind of compromise the Lebanese can work out among themselves and their neighbors. Syria and Israel. That means the United States cannot insist that the Israeli-Lebanese agreement of May 17 remain unchanged if Mr. Gemayel feels obliged to seek revision.

There is not a military solution. The only visible alternative to the multinational force is a United Nations force. Former CIA Director William Colby is right in saying U.S. troops should not participate, but the United States would have to help arrange it. And that necessarily means obtaining Soviet acquiescence.

A recent meeting between the Lebanese foreign minister, Elie Salem, and the Soviet Ambassador to Lebanon, Alexander Soldatov was seen as a signal that the Beirut government would now welcome Soviet-U.S. talks on Lebanon. It is not ideal for America, but it is the only way out without pulling down the house. The United States owes that to Lebanon, and to itself.

The New York Times.



Reagan's Economy Confounds the Soothsayers

By Hobart Rowen

WASHINGTON — President Reagan and fellow Republicans are entitled to feel pretty good about the economy as the new year begins. Things have been moving up briskly for a full year, and there is every indication that the recovery will endure for all of 1984, helping the Republican presidential candidate in November.

At his last full press conference just before Christmas, Mr. Reagan said — with evident relish — that recent statistics "confirm a welcome fact: 1983 has been a banner year for the American economy, with the United States economy enjoying a strong recovery and its lowest rate of inflation since the 1960s."

He did not mention how far down the economy had plunged, at the start, under his management, or how remote are the prospects of a fast-paced economy where everyone who wants a job can get one. His political instincts tell him that people are paying more attention to the trend of improvement than to comparisons with the past. And current bread-and-butter results have much more immediate significance than the continuing problem of the federal deficit, which could well abort the whole recovery process.

It matters little that recovery was triggered in the first instance by an easing of Federal Reserve policy, in response to grim fears about world debt, and a threat to the banking system. It matters even less that the recovery is a tribute to the stimulative effects of a Keynesian phenomenon, and not to Reaganomics.

The man in charge at the White House takes the blame or credit, regardless. So Mr. Reagan

can point to lower unemployment, a cut in the inflation rate, huge business profits, a resumption of home building at an improved level — and declare a victory for himself.

The economy is in much better shape than almost anyone, including the administration's own economists, expected it to be a year ago at this time. The conventional wisdom on New Year's Day 1983 was that a recovery might get started soon but that it would be fragile.

The chairman of the president's economic council, Martin S. Feldstein, missed the boat when he predicted a very sluggish recovery that would limit growth for the year to a skimpy 1.1 percent, with the end-of-the-year unemployment, he said, would average a grim 10.7 percent.

The final results for 1983 show a growth rate of 3.3 percent, a fourth-quarter over fourth-quarter gain of 6.1 percent, and unemployment averaging 9.5 percent. The December jobless rate of 8.4 percent was already well below the 8.9 percent level that had been forecast for the end of 1984.

With shrewd insight, Nobel laureate Paul Samuelson said in mid-January last year: "I think they [the administration] are pitching us a low ball now. Later they can say, 'See, it's working even better than we said. You were wrong to be so impatient on Reaganomics.'"

Mr. Feldstein may have been overcautious rather than Machiavellian, but he was not alone.

Joseph A. Pechman, then research director at Brookings, said that Mr. Feldstein was "quite realistic." But some private forecasters, such as Albert Sommers of the Conference Board, as well as economists at the Treasury and the Fed, did better than Mr. Feldstein or the pack.

This was the second bad year in a row for professional economic forecasters. A year earlier, almost as one, they had failed not only to see that 1982 would wind up in a recession, but that the economy would be hit harder than at any time in 40 years. Having bobbed 1982, most forecasters then underestimated the resilience of the economy, and guessed that 1983 would be the fourth year in a row of stagnation.

They were wrong, and so was this reporter. In a Jan. 30, 1983, column, I predicted "economic disaster" unless the administration took immediate steps to reduce the budget deficit. The "disaster" has not occurred, even though there were signs at the end of the year that the pace of recovery was slowing. And the deficit has not gone away. It hangs, as economist Otto Eckstein says, "as a dark cloud over the economy."

For some reason that no one has yet explained, the American economy has not been deterred as much as everyone thought it would be by high interest rates. A 12-percent mortgage interest rate is considered a bargain. Until economic men begin to explain why the economy has shrugged off high rates of interest, there is not much point in paying attention to their forecasts.

The Washington Post.

Why Nicaragua's Indians Are Fighting Managua

By Bernard Nietschmann

BERKELEY, California — The Sandinista government's recent offer of general amnesty for Miskito Indian prisoners and refugees and its recognition of past policy "mistakes" in land reform are important conditions for peace negotiations involving the return of Indian land. If the Sandinistas can settle their dispute with the Indians, they will avoid enmeshing their struggle in human rights organizations and gain a formidable ally in the fight against the anti-Sandinista Contras in eastern Nicaragua.

Nicaragua's Miskito, Sumo and Rama Indians revolted against the Sandinistas in February 1981, and today their struggle is waged throughout eastern Nicaragua and from Honduras and Costa Rica. The Indians are committed to regaining their territory — most of eastern Nicaragua, which constitutes 38 percent of the national area — and their war will go on until that is achieved, regardless of what government may be in power in Managua.

The Indian struggle has been misunderstood, misrepresented and hidden from public view in both pro- and anti-Sandinista rhetoric. The Reagan administration uses the Indians' human rights plight simply as an example of oppression in Nicaragua, ignoring what the Indians are fighting for and focusing only on what has happened to them. The United States has no interest in backing — politically or militarily — a movement that seeks self-determination and liberation for indigenous peoples.

The Managua government has labeled the Indian opposition as an externally provoked and supported counterrevolutionary operation that manipulates "politically backward" Indians as part of a destabilization plan being carried out by the CIA and supporters of the former President Anastasio Somoza Debayle.

Both characterizations are wrong. Although the Indians' struggle is certainly part of the anti-Sandinista conflict, it is not just another side of the issue; it is another issue entirely.

To learn more about the Indian struggle, I spent three months last summer with resistance leaders and refugees in Costa Rica and Honduras, and with Indian fighters and villagers in Nicaragua. From the Indians' perspective, their war is a response to Sandinista military, economic and political oppression of their people and expropriation of their land under the guise of agrarian reform. The Indians say that the land is all they have to provide a living and to give their children. Without it, they say, they would die as a people.

They insist that their rebellion is more potent than those of the other major anti-Sandinista guerrilla factions — the Revolutionary Democratic Alliance and the Nicaraguan Democratic Force — because it has wide popular support, its goal is solely to push the Sandinistas from Indian land and villages.

The Indians are political orphans.

under the supervision of the Organization of American States.

Unlike the other anti-Sandinista groups, the Indians are not fighting for democracy or elections. For an Indian, freedom is land, not democracy or Marxism. The Indians' war and peace objectives are to recover and control their land.

The writer, a professor of geography at the University of California at Berkeley, has written several books on the Indian population of Nicaragua. He contributed this comment to The New York Times.

Italy Feels Like a Pawn In the Game

By Lucy Komisar

COMISO, Italy — The square in Comiso, built around a baroque fountain and statue of Diana, the Huntress, is a living room for the men of this traditional town in Sicily's southern coast. In the evening, they stand in clumps outside their political party meeting places on the ground floors of stone buildings, the edge of the piazza. They discuss politics and truck farming and lately, the 112 cruise missiles that the North Atlantic Treaty Organization will install here in March.

What they are saying should be cause for some concern in the United States. Italy is a faithful ally of the United States and is likely to remain so. Yet the people here are worried about the missiles, skeptical about the value of Italy's geopolitical ties to the United States and worried that policy-makers in Washington and Moscow are out from the same cloth.

When asked for their thoughts, the men always begin, as if by rote, with their party lines. The communists, Socialists, Christian Democrats, whose national leaders are partners in Italy's coalition government, said the weapons were necessary to counteract the Soviet SS-20s. Yet there was a common theme: a shared belief that the superpowers' bloc policies are equally dangerous and that the bloc system is a main cause of the problem.

One Socialist put it this way: "The two superpowers are the padrones of the world." Another man explained: "After the war, there was Yalta. The Americans took this part of Europe, the Russians took the other. We Italians, what can we do? In Sicily there are Americans, in Tuscany, Poles, Slovaks, the same. We are occupied by America. What does it mean if we don't want missiles? The two powers meet in Geneva, and they are more and more. Neither does 'what is right.' That came from a respectable looking, middle-aged Christian Democrat who seems to represent sentiments that cut across party lines.

Polls suggest that 60 percent of Italians are against the missiles. More than a million Sicilians signed a petition asking that construction of the base be stopped; 11 Christian Democratic members of the Sicilian parliament joined 21 communists and independents in a petition asking for suspension of the installation; and condemning the "militarization" of the island. What underlies these gestures of protest is a sense that the missiles, far from protecting them, may make them vulnerable to nuclear retaliation or a pre-emptive strike.

There are, too, the stirrings of a similar sense of unease about NATO itself, implicit fears that it may do more to invite danger than ward it off. "It's a fight against the wall, like Don Quixote. What can the people here do?" said a Socialist. "When a party is in government..." He shrugged and concluded, "Italy won't do anything because it's in NATO."

There is very little sentiment for withdrawal from NATO inside the Communist Party, the strongest institutional force in the Italian peace movement and a moderating influence. Italian communists are anti-Soviet, support the Atlantic Alliance, and oppose unilateral disarmament by the West. Yet many young people, Roman Catholic pacifists and non-communist leftists argue otherwise, insisting that the bloc system creates its own dynamics, that there is neither a good nor a bad power but two superpowers that seek to control their own zones of influence.

In Ragusa, a hilly town 12 miles from Comiso, Saro di Grande, a high-school teacher, participated one evening in a prayer meeting with other members of his grass-roots Catholic community. They left their makeshift chapel for a meeting room to discuss a peace demonstration at the U.S. base in Sigonella. One young man suggested that they also send a bus to Perugia to show solidarity with the Christiano-social peace activists who oppose the SS-20s.

"We have to overcome the blocs and leave NATO," Mr. di Grande said. "NATO was born with a defensive character, but it has become offensive." Reflecting fears that the missiles will be used against such countries as Libya and Iran, thereby involving Italy in Third World conflicts, he added: "The missiles in Comiso are to control the peoples of the Mediterranean." He saw Washington's policies as no less aggressive than Moscow's. "Reagan's politics don't favor peace. Grenada and Lebanon are situations where the United States wishes to increase its own power in the world. The Soviet Union does the same in Afghanistan."

Italy's rulers will have to deal with such fears, and with the prospect that the Reagan administration's efforts to strengthen the alliance by installing the missiles may have an effect just the opposite of what it intends.

The writer, a journalist specializing in international affairs, contributed this comment to The New York Times.

LETTER TO THE EDITOR

On Soviet Legal Abuses

Regarding the report "Russia Hardens Regime for Political Prisoners" (1/17, p. 29) by Robert Gillette:

Every careful leader of government, or of governmental organizations, employs words of logic, persuasion or even propaganda to negotiate with a country as powerful as the Soviet Union. It is difficult to find words to express horror at Soviet conduct without merely inflating rhetoric. But we must try.

The latest to a succession of Soviet legal abuses — the arbitrary extension of prison terms of dissidents who would not yield their consciences in the gulag — requires that the world

react. The Soviet state is physically mighty but morally delinquent. Its sentences on criminal charges, such as "parasitism" (unknown anywhere else in the world), are without proper legal representation or other elements of due process. In the recent case of Iosif Begun, it applied double and triple jeopardy. Now a new device extends by fiat the sentences of those who have served their time. No wonder that, although the world fears the Soviet Union, its legal system is respected no further than its reach.

MORRIS B. ABRAHAM, Chairman, National Conference on Soviet Jewry, New York.

The Kaz

WASHINGTON — The Kaz, a new newspaper, is being published in the Soviet Union. It is a weekly newspaper, published in the city of Moscow. It is a new newspaper, published in the city of Moscow. It is a new newspaper, published in the city of Moscow.

Will Recon

WASHINGTON — The Will Recon, a new newspaper, is being published in the Soviet Union. It is a weekly newspaper, published in the city of Moscow. It is a new newspaper, published in the city of Moscow. It is a new newspaper, published in the city of Moscow.

Study Say

WASHINGTON — A study says that the Soviet Union is a major threat to the United States. The study was conducted by the RAND Corporation. It is a study, conducted by the RAND Corporation. It is a study, conducted by the RAND Corporation.

Thailand, Malaysia

WASHINGTON — Thailand and Malaysia are two countries in Southeast Asia. They are two countries, Thailand and Malaysia. They are two countries, Thailand and Malaysia. They are two countries, Thailand and Malaysia.

FROM OUR JAN. 4 PAGES, 75 AND 50 YEARS AGO

1909: Toward Revolution in China?

WASHINGTON — China faces a revolution. This is the belief of the State Department from a dispatch received from Mr. Rockhill, the American Ambassador, saying that Yuan-Shi-Kai, the Gr. Id Counselor, has been dismissed in disgrace. Yuan-Shi-Kai was recognized on the death of Kwang-Su and the Dowager Empress as the practical leader of all the reform parties in China. It is believed at the State Department that his dismissal, the reason for which is given as rheumatism in the knee, means that a reaction is coming. Another theory advanced is that Prince Ching, the Regent, wishes to be the controlling factor and therefore brought about the dismissal of Yuan-Shi-Kai, who owed his immense power to an alliance with the Dowager Empress.

1934: Pharaoh's Curse Is Recalled

LONDON — The next to the last surviving member of the party of Europeans who participated in the discovery of King Tutankhamen's tomb has just died in a hospital here following an illness of six months. He was Arthur Weigall, 53, Egyptologist, (who is survived only by Howard Carter who found the tomb). According to a legend, when the gold coffin of Tutankhamen was interred in the rocky tomb the following curse was pronounced: "Death shall come on swift wings to him that toucheth the tomb of a Pharaoh." The superstitious believed the curse caused the death of all but one of the Europeans present when the tomb was opened in 1922. Lord Carnarvon, a leader of the expedition, died shortly afterwards from a mosquito bite.

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ARTS / LEISURE

The Kazoo: Hum, Sweet Hum

By Joseph McLellan

WASHINGTON — The United States has a national bird, a national song and a national instrument. The kazoo is the national choice.

Stewart is not a completely unbiased observer on the subject. She has been a professional kazooist (that's right, a professional kazooist) for 11 years and is the author of a new book on the small, submarine-shaped instrument that amplifies people's hums. "How to Kazoo" is published by Workman (the people who immortalized Kluge's cats).

But, she insists, her campaign existed long before she began to write the book. She has even tried to interest the White House in a kazoo concert. "I haven't had a response yet. And that was two years ago."

When Stewart performs, she wears a white tie and tails. Her blond hair is coiled in two buns

over her ears in the Princess Leia "Star Wars" style. She does not look particularly like a crusader, but she has heard America humming and says that "the voice of the people — the hum of the people — must be heard. I don't think the legislators are responding to the needs of the American people. The trouble is that kazooists tend to be apolitical. The kazoo is the instrument of the real people, not the people in power. Everybody knows what it is except the people in power."

In fact, she says, kazooists tend to be almost everybody. "The thing that amazes me is how many people play the kazoo. There are 8 million kazooists sold every year from one company alone that I know about, and 20 other companies are listed in the toy manufacturers' index or other places. Cabdrivers want to buy my book; room clerks, people like that. It's economically feasible; everybody can afford one."

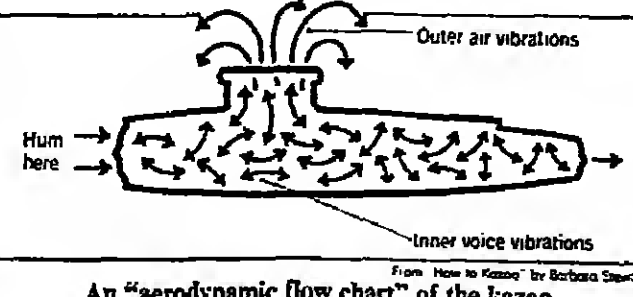
"It is the no-fills instrument, but also versatile. The kazoo is the symphony orchestra after the budget cut."

The instrument that inspires Barbara Stewart's fierce loyalty is African in origin, American in its modern development and now is heard almost everywhere in the world except in the seats of power and opulence. Technically, it is classified as a non-pitch-specific percussion instrument.

"In Africa," Stewart says, "it wasn't used as a musical instrument; it was used as a weapon of intimidation, a voice disguised to imitate the voices of the dead. The penalty for disclosure of this secret was death, which made it hard for the anthropologists to get the truth."

The basic American kazoo (which added a turret to the African model, radically changing the instrument's potential) is readily available almost anywhere. "The good models cost between 59 and 69 cents for plastic ones, 89 cents for metal ones," Stewart says. "There are some special models for up to \$5 and there is a sterling silver one of \$50; these you can wear as well as play."

The concert instrument used by



An "aerodynamic flow chart" of the kazoo.

most professional kazooists is known as the kazooivarius and available only on special order. "They are individually crafted," she says. "They are made like the others, but they have a different kind of resonator — an animal membrane that was once used widely. They don't use them anymore because the dog food industry priced them out of the range. I don't make any of this up. I don't have to."

The instrument has its enemies, not only in politics but in music. "There once was an expert who said that the kazoo is to music as the full body cast is to ballet," Stewart says. "But that's the point. It's a challenge to the kazooist. It's

probably the most personal instrument there is. It has no musical capabilities of its own; everything depends on the kazooist."

That is why, when asked whether there are piccolo kazooes or double bass kazooes, the answers: "No, there are piccolo and double bass kazooists. The most important element is the size and shape of the player."

Stewart became a professional kazooist after studying the flute for years at the Eastman School of Music in Rochester, New York. "My flute teacher, Joseph Mariano, told me that everybody ought to be an expert at something and that's when I turned to the kazoo. The field is wide open."

Holiday Song-and-Dance Fest

By Sheridan Morley

LONDON — An unusually active and celebratory holiday in the London theater added half a dozen major seasonal shows to the 15 musicals already in town, thereby making virtually the whole of the West End into a song-and-dance festival of variable but distinctly unsteady quality.

For the first time both the big subsidized companies went into the yule business, the Royal Shakespeare Company reviving their male "Peter Pan" while the National ventured a pantomime debut with Bill Bryden's Victorian "Cinderella."

The idea here was strong enough to strip "Cinderella" of years of Pantomime trappings. Instead of a tale of a poor girl who gets it away from her wicked stepmother, the story is about a young man who returns to the land of his birth to find his father dead and his mother a wealthy widow. He must win her back and return to the land of his birth to find his father dead and his mother a wealthy widow.

Instead of replacing the tacky commercial updating of "Cinderella" with the vitality of the old Victorian routines, Bryden's cast treated the pantomime's strong structure with such nervous reverence that it was like being shown around the exhibits in a theater museum by a lot of well-meaning but ineffectual guides.

Not even the casting of Robert Stephens as an ugly stepmother managed to put any life into a deadly evening on which every expense appeared to have been spared until the magical arrival of an interior-bit coach and six ponies. They, however, soon and sadly made off, leaving us with a cast performing an all too familiar story very slowly and very clearly, apparently nervous that if they brought too much life to it the whole flimsy structure might collapse from within. They'd have done better to bring back the "Guys and Dolls" cast with the Rodgers and Hammerstein musical "Cinderella," which remains amazingly unknown here, after only one production in about 20 years.

Equally sadly unknown here is the Cole Porter "Aladdin," which would have been a vastly better idea than the lumpy boobytrap currently at the Shaftesbury under

the banner of Ray Cooney's Theatre of Comedy. Back in the summer, it may be recalled, Cooney had the admirable notion of gathering a talented team of comedy actors and writers together under one umbrella so that their corporate strength might be some sort of commercial-theater response to the gargantuan multi-stage forces of the subsidized companies.

THE LONDON STAGE

So far they have one long-running farce ("Run for Your Wife," now at the Criterion) and one two-character comedy ("Special Occasions," of which more next week) to their credit, but a pantomime would surely have been the occasion for a first major show of strength, one in which the company could have drawn on its very considerable pool of talent. Instead, a cast of faded celebrities has been hurried onto the stage with a random selection of songs from other shows (notably "Kismet"), some elderly and distinctly threadbare choreography, and a script which might charitably be described as cursory.

Tudor Davies's vaudeville staging is not much helped by his own appearance as the dame and in a large cast only Jill Gascoine in the title role and Doreen Wells as a wonderfully spry genie seemed to have the remotest notion of what "Aladdin" should be about.

This is precisely the kind of pantomime-travesty that the National was trying to escape and that even the Palladium never sank to. The play of it is that "Aladdin" already has the aforementioned Cole Porter scoring (bits of which are carelessly quoted here) and that the Theatre of Comedy has at least two writers on its masthead who could have come up with an enlivened and distinguished book instead of this random mishmash of aged night songs.

The one Christmas show this year that did seem to me wonderfully successful in avoiding the pitfalls of over-reverence or sheer carelessness is still to be found at the Lyric Hammersmith, where "Aladdin" is a joyous rearrangement of the songs of ABBA set to an extremely careful script by that latter-day J.M. Barrie, David Wood, Britain's only surviving master of the children's play form.

In itself this is as tricky a form as Restoration comedy or Noh drama: Children are, as Barrie well knew before Peter Pan, among the most intelligent and demanding of audiences and what Wood has constructed for them here is an

adventure which uses the well-tried format of "Alice in Wonderland" and "The Wizard of Oz" (a magical land where lovable bunnies come up against rather less lovable pantomime stars as Pinocchio, Aladdin, Cinderella and Sleeping Beauty in a culture clash with video-game players and an evil fairy, played by Elaine Paige with such magnificent camp venom that the sooner she gets to be the Wicked Witch of the West the better for us all).

True, the ABBA numbers are as blandly unmemorable as the group itself but Don Black has given them some good old lyrics and Wood has blended them with immense care into a framework which despite all its cross-references to almost every children's hit of the last century yet manages to remain a coherent and original contribution to the world of Christmas shows.

Peter James's production is infinitely more successful than that of his other current London musical, "Blondel" (Old Vic, transferring next month to the Aldwych), largely because he has managed with only a short run to attract a truly superb cast: not only Paige at the very top of her considerable form but Finola Hughes, Michael Praed, Sylvester McCoy, Phil Daniels and B.A. Robertson, mostly veterans of the Lloyd Webber shows and the Broadway-to-London "Pirates" and all able to inspire an already strong musical with a fervent theatrical flair which Anthony van Laast's choreography rightly pushes to its limits.

A show with characters borrowed from other Christmas treats is admittedly unlikely to have much of a life beyond about the beginning of February, but I would imagine "Aladdin" will be making annual December appearances in London and around England like so many other David Wood shows and it is to be hoped that they'll be able to keep it up to the very high and joyously energetic level of this premiere.

Charlotte Joins James At Top of British Names

LONDON — Charlotte, overtook Victoria as the most popular name for girls born in Britain last year, while James kept its place as the favorite for boys, according to the Daily Telegraph.

The newspaper kept a tally of all the names announced in its columns during 1983 and said Sarah was second, Victoria third, and Emma, Lucy and Rebecca jointly fourth. Victoria had displaced Sarah for top spot in 1982.

Will Records Still Spin in 2020? Don't Bet Your Module on It

By Hans Partel

NEW YORK — Back in 1948, so one story goes, George Orwell lit on 1984 by mistyping the final digits of the date. That put his cautionary tale 36 years into the future. Taking the same span as a runway for projection, we might venture a guess about the state of audio anno Domini 2020.

As T.S. Eliot reminds us, "Time present and time past / Are both perhaps present in time future."

Even so, some changes are apt to be dramatic. For one thing, phonograph records will no longer spin, nor will tapes reel and unroll. Instead, we'll have a small digital player with no moving parts and little plug-in memory modules, each with several hours of music stored in solid-state memory circuits. You could take the module to a record dealer who would slip it into a machine, punch a code into a console, and 30 seconds later hand it back to you. You'd pay your bill and away you'd go. Furthermore, the original musical information would not be in the retail outlet. It would more likely be downloaded by satellite from a central data bank. The fee charged by the retailer would be broken up and distributed to the appropriate artists, producers and owners of digital music software.

The voice behind those quotation marks belongs to Almon Clegg, the assistant general manager for the audio division of the Matsushita Technology Center, the U.S. subsidiary of one of Japan's great industrial research institutes.

Clegg foresees the obsolescence of even the proudest achievement of today's audio technology: the laser disk. These disks, after all, are but the first step in the direction of an all-digital phonograph. They do, unquestionably, represent a radical departure from the past in that they abandon wiggly waveforms in favor of a numerical code. This is the all-electronic recording method — totally free of mechanical motion and its inherent impediments — is theoretically feasible and has already been demonstrated on an experimental basis. It seems a safe bet that, within the 36-year span of our prognostication, such a recording medium will have come into

use. But while the digital disk breaks with the Edisonian past in substituting a number code for the actual wave form, it still adheres to Edison's idea for capturing the record. An all-electronic recording method — totally free of mechanical motion and its inherent impediments — is theoretically feasible and has already been demonstrated on an experimental basis. It seems a safe bet that, within the 36-year span of our prognostication, such a recording medium will have come into

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INSIGHTS

Britain Is Still Troubled by Remnants of Its Empire in the South Atlantic and Off Spain

Thatcher Hints She May Ease Deadlock Over the Falklands

By R.W. Apple Jr.

New York Times Service

LONDON — The deadlock between Britain and Argentina over the Falkland Islands, which produced a two-month war in the spring of 1982, appears likely to be eased in 1984.

On the surface, only tiny steps have been taken toward a resolution of the dispute over ownership of the archipelago in the South Atlantic. But beneath them lies a growing conviction, shared by major figures in each of the four political parties represented in the House of Commons, that the status quo cannot be allowed to persist.

The most important question, politicians say, is how far and how fast Prime Minister Margaret Thatcher will go to reach a compromise with Argentina's new civilian government, headed by President Raúl Alfonsín.

When Mr. Alfonsín took office in December, Mrs. Thatcher sent him what Foreign Secretary Sir Geoffrey Howe called "a friendly signal" through a Swiss intermediary. She said that, "although we have many differences, we can all take pleasure in the restoration of democracy to Argentina." He replied by quoting what he called "an old English saying: 'Where there's a will, there's a way.'"

A Condition Dropped

At the same time, Britain made it clear that it would no longer insist upon a formal cessation of hostilities as a condition of negotiations. But the Foreign Office said Mrs. Thatcher was still unwilling to talk about the central issue that divides London and Buenos Aires, that of sovereignty.

Mr. Alfonsín said in an interview with the Observer, a British Sunday newspaper, that if Mrs. Thatcher agreed to suspend construction of the new Port Stanley airport and reduce the 150-mile (243-kilometer) exclusion zone around the islands, "that would take us a long way down the road to a solution." He and his aides

hinted they would be willing to skirt the issue of sovereignty, at least for the moment, perhaps through some sort of lease-back arrangement.

At one time several years ago the British appeared willing to accept that kind of arrangement, but negotiations were torpedoed by the opposition of right-wing Tories and of the more vocal islanders. The Tory right wing is still adamant, but there are signs that the views of at least a few islanders may be softening.

Several have said that the huge British troop presence and construction program in the archipelago are changing what they value most about the place, its isolation and calm. When the airport is completed, wide-bodied transports will be able to fly directly from London. In addition, some of the islanders bitterly resent the fact that Mrs. Thatcher has not made it possible for them to acquire land through the breakup of the holdings of the quasi-feudal Falkland Islands Co.

"I would be quite happy now if they gave me enough money to resettle in New Zealand," a farmer said recently.

Mrs. Thatcher is publicly sticking to her "Fortress Falklands" policy, arguing as before that Britain must not give away at the bargaining table what its soldiers won in battle. She doubtsless has the votes in Parliament to maintain that policy.

And yet, as the months have passed since the Argentine surrender, the public's determination that the islands should remain British appears to have waned dramatically. Indeed, Mrs. Thatcher's popularity in general appears to have slipped since her June election victory, which she owed in large measure to her resolute stand on the Falklands. The Labor Party is only a point behind in the latest polls and the government is feeling the need to refurbish its public image.

Newspaper editorials, public opinion polls and private conversations with politicians bear out the change in attitude over the islands. A

Conservative MP said the other day, for example, that the strategic and symbolic value of the islands "simply doesn't justify the resources that we are being forced to divert from other programs."

The middle-of-the-road Sunday Times commented that "the need to move swiftly and flexibly to bring a rational end to an episode which, for Britain, was heroic at the time, but which now casts a pall of gloom and futility over areas far removed from the South Atlantic."

At a meeting of a distinctly Tory dining club this month, a retired British ambassador was unable to find a single member who thought that the present policy could or should be continued indefinitely.

Dispute Over Cost

The actual cost of defending the islands is a matter of considerable dispute. At a recent conference at the Commonwealth Institute, a university lecturer who specializes in defense matters said that the price would amount to more than \$8 billion by the end of 1987, but Adrian Monk, the islands' spokesman in London, said that figure was far too high.

According to official estimates, it will cost \$880 million to defend the Falklands this year, almost \$500,000 for each of the 1,800 islanders. Britain has also committed in the last year about \$65 million for economic and social development, \$20 million to repair war damages and \$45 million for a six-year economic program.

Mrs. Thatcher is said by her colleagues to feel that the best way to proceed would be on a step-by-step basis, beginning perhaps with trade matters and proceeding to renewed diplomatic relations. The foreign secretary said the desire to begin taking such steps was developing "on both sides." The prime minister is well aware, aides say, that any improvement in the situation would help to ease the current stresses between Washington and London, as well as helping to increase British exports to other nations in Latin America.



Major General Keith Spacie, commander of British forces in the Falkland Islands, left, receiving surveying equipment from Ian Jamison, project manager for a consortium that is building a large airfield in the islands in the South Atlantic.

Gibraltar's Opening Fails to Create Boom for Merchants

By Susan Linnee

The Associated Press

GIBRALTAR — When Spain opened its border with Gibraltar a year ago, the merchants on Main Street filled their shops with calculators, cameras and video games, hoping Spaniards would pour in after a 13-year boycott of the British colony by their government.

A quarter of a million Spanish visitors have come since the border gate opened Dec. 15, 1982, but the goods are gathering dust in Gibraltar's shops.

Hopes were high on both sides when a customs official from La Linea de la Concepción opened the gate separating Spain from Gibraltar, ending Spain's boycott of the territory it claims.

The new Socialist government in Madrid said its move was a humanitarian gesture intended to reunite families divided by the artificial barrier. But the government also made it very clear that the opening would be no wider than the eye of a needle and that Spaniards could not return to Spain with even a new pocket calculator.

Restricted Access

Only Spaniards and Gibraltar residents can cross their common border and then only on foot. All others must travel to and from the British colony via Tangier, Morocco, on the other side of the Strait of Gibraltar.

The Spanish Interior Ministry allowed Spaniards and Gibraltarians to make more than one

trip a day each way during the Christmas holidays.

If the restricted opening has been an economic disappointment for the colony's merchants, it has been kinder to Gibraltarian shoppers and some shopkeepers in La Linea.

Spanish immigration officials say 1.5 million people crossed the border into Spain in the year following the opening, most of them Gibraltarians on their way to the weekly market in La Linea to buy fresh fruits, vegetables and eggs, all cheaper than what is available in Gibraltar.

But because Gibraltar is an associate member of the European Community, it does not permit the importation of fresh or cured meat from countries that are not Common Market members and Spain is not.

Spanish customs officers have even prohibited a Gibraltar basketball team on its way to play in La Linea from taking along its own basketball. They also refused to let Gibraltarian anglers invited to a fishing contest in Spain to take their fishing gear with them.

"In the summer we've seen whole families of Spaniards from the other side come up here to the governor's parade to change out of their old clothes and into the new ones they just bought," said a restaurateur, John Shepherd. "Some of the kids go back wearing five or six pairs of underwear and several dresses."

Sources on both sides of the border agree that Gibraltarians spend about five times as much in Spain as the Spaniards do here. The Gibraltar

Chamber of Commerce estimates that merchants have lost the equivalent of more than \$7.15 million because of the restrictions on Spanish buying.

The Gibraltarians, who have voted overwhelmingly to remain British, are annoyed at the severe restrictions.

Air fares from London to Gibraltar are often half those from London to Málaga, the nearest Spanish airport and main entry point to Spain's Costa del Sol region. If the border were open to all, the Spanish tourist industry fears the Málaga airport would lose considerable business.

Negative Aspect

Gibraltar's long-time prime minister, Sir Joshua Hassan, who like most of the colony's 32,000 inhabitants speaks a local version of Spanish known as Llanito more readily than English, says the most negative aspect of the opening is "the obvious and hardly democratic discrimination" in determining who may cross and who may not.

Juan Carmona, the Socialist mayor of La Linea, laments the fact that the opening has not been more generous.

"People on both sides have grown to understand each other again, but the barriers that remain prevent us from really developing the region as a whole," he said.

The government in Madrid is maintaining the restrictions in hopes of convincing the British government of the seriousness of its desire to get

back the territory it ceded to Britain under the 1713 Treaty of Utrecht.

The British say they have no intention of handing Gibraltar over to Spain, although they agreed in 1980 to pursue negotiations on the subject. Since then no negotiations have taken place.

At midday under the warm Mediterranean sun, central Gibraltar appears bustling, filled with mothers pushing baby carriages and young men on motorcycles with nowhere to go.

But unemployment, until recently unknown, has crept up to 492. And when the British government closes down the dockyards next December, 1,000 more Gibraltarians, out of the work force of 11,000, will be out of work, unless private industry moves in.

The dockyards, the colony's largest single employer, are deemed unsuitable now by the British Navy whose newer ships need more modern facilities for their periodic overhauls.

Before Franco slammed the gate shut in 1969 in an attempt to pressure Britain to negotiate the colony's future, Spaniards from La Linea and the surrounding Campo de Gibraltar held many of the menial jobs in Gibraltar.

La Linea and Andalusia as a whole suffer from high unemployment. The Spaniards were hoping to get the jobs back after the opening, but things have changed in 13 years and, as citizens of a country not in the Common Market, they cannot obtain the required work permits.



A Spaniard shows his passport to a policeman as Gibraltar border opens.

In El Salvador, Stories From Death Squad Regulars

By Laurie Becklund

Los Angeles Times Service

SAN SALVADOR — They call it Door of the Devil, a craggy spot not far from central San Salvador where the earth ends, plunging into a sheer, mist-filled ravine.

Late at night, trucks drive to the edge, and a young girl who lives near the trash heap below can hear their engines idle as the wheels in bed. She listens for gunshots. When the firing stops, the trucks roar off.

The next morning, fresh tire tracks line the mud barely a foot from the precipice. Below, along the muddy path that goes by the young girl's house, last night's work lies amid last week's trash.

It takes a minute to recognize the human body in this form: a silhouette in the trash, or parts of a body caught on crags high up the ravine in the fog.

"It's always a little foggy, and there are these big rocks you can stand on top of to throw somebody over," a former police intelligence agent said.

"You start by putting psychological fear into them. Blindfold them, put another detective in with you and pretend to shoot him if he won't talk. If he's a good guerrilla, he'd rather die than say anything. If he talks, he goes to Mariona [prison]. Those that don't die. Many won't talk — and then you toss them over."

The young policeman — call him Federico — said he killed 16 persons and tossed several of the bodies off those rocks. He said he did it as part of his job with the National Police in the Center for Analysis of Information, one of El Salvador's most important intelligence agencies.

His rank was never high. Yet, in his own world, he was part of an elite. He never had to investigate an ordinary murder, he said, only "subversives." He left the security forces for personal reasons, but he still carries credentials that he says will get him out of almost any trouble.

Throughout El Salvador, in military garrisons and police intelligence offices, there are such men who specialize in investigating, informing on, interrogating and sometimes killing "subversives," according to a wide range of sources interviewed by the Los Angeles Times during an investigation lasting several months.

Once convinced that he would not be identified, Federico spoke openly in an interview. Only at the end did he say, "A policeman starts, he's OK, a regular guy, and after a year he's a criminal, and after a little more time, he's a murderer."

There are many occasional killers in El Salvador, those who have taken advantage of moral and political chaos to settle a score.

But, although no one knows for sure, interviews indicate that there may be at most 500 regular members of death squads, men like Federico, who kill on the job or who kill for spending money on the side.

This is a story about a few of the death squad regulars, what they say about how they kill and why.

A 40-year-old man recalled the moment that he made his decision. It was a time of dizzying loss of balance for him; the solid ground of church, business and society was slipping away under his feet. One day, anger overtook his fear.

"All of a sudden — and this is very personal for everybody it is different, but this is the way it was for me — something inside you clicks very softly and says, 'By God, I'm not going to take that anymore.' And all of a sudden, something sends you very clearly and very precisely over the edge."

His name here will be Victor Morales. Most of the other names used also are pseudonyms.

Mr. Morales said he was recruited into what he called "activities of a different kind" by Roberto d'Aubuisson, then a major in National Guard intelligence. Mr. d'Aubuisson, who resigned Dec. 20 as president of the assembly, is head of the extreme rightist Arena Party and a candidate for presidency.

Mr. Morales and others refused to divulge details of specific killings or current operations, matters Mr. Morales referred to as "anti-Communists' military secrets." Mr. Morales, in fact, said he never did the killing himself.

There are some aspects of the killing that even he, who believed in it, could not handle, he said, such as the dozens of beatings by the Squadron of Death in western El Salvador two years ago.

Four years ago, as civil unrest escalated, he said, prominent businessmen began mounting their own vigilante groups.

The Squadron of Death, whose militants wore dark clothes and masks marked "Escudron de la Muerte," or simply "EM," was the most notorious.

It began as a brotherhood of businessmen, according to one foreign source with close ties to both the military high command and the extreme right. Military officers, although a minority among members, were in charge, the source said.

"They found real guerrillas," Mr. Morales said, "and put a single bullet through their heads. 'You're a Communist,' they would say, and boom, they would shoot them and throw them out somewhere. They did things so well that everybody started admiring them and imitating them."

The logo was picked up by police and soldiers. The National Police designed rubber

stamps to ink "EM" on their victims' foreheads, a source said.

The Squadron of Death eventually became something an image that safeguarded the identity of the officers and soldiers involved.

"They didn't kill the guys — the Squadron of Death did," a U.S. analyst explained. "The Squadron of Death becomes lightning or hubbub plague or quicksand — this thing everybody knows is evil, but nobody knows who does it. It has the same effect as saving the wrath of God came down on you and did it."

The killing became easier after the first time, said Ed Garza, a pseudonym. But it never became completely easy, and now he says he is out of it.

"Nobody likes to do it," he said. "After you do it, as a rule, you go out and get a couple of drinks and get drunk. For three, four or five days, I wouldn't talk to anyone. I didn't like anyone to know I'd done it. Like my children."

Mr. Garza is known as an *umpo del cuartel*, a friend of the barracks. It is a term of scorn, used by civilians of means to refer to their peers who carry the favor and the friendship of military officers. Most wealthy citizens eschew the company of military officers, whom they distrust and look down upon.

Death squads, as Mr. Garza and others described them from the days in 1980 and 1981, were committees of what he called civilian "patriots" who conducted secret investigations to identify "subversives." In most cases, their decisions were passed on to military contacts, who carried out judgments.

The group led by Mr. Garza met once every week or two to put together an agenda of names of suspected Communists. The names were not those of guerrillas but of public figures and personal acquaintances.

A typical agenda might have included a Chamber of Commerce member who spoke too favorably of land reform, a troublesome employee suspected of being a union activist, a cabinet minister. Personal vendettas were satisfied along the way.

Between meetings, each member carried out an assigned task. Some sent bodyguards or employees to spy on the suspects. Others asked friends in military intelligence for files on the targets. Everyone tried to talk with the suspects themselves, if possible, to get a feel for the strength of their anti-Communist convictions.

At the next meeting, each member presented his findings, and each subject was evaluated. Most suspects were judged to be Communists.

"If you investigate people like we did, you find very few people who have not been involved in the Communist movement," Mr. Garza said. "Almost everybody has Commu-

nist ties if you look for them hard enough."

Once the decision was made, he said, "There was only one way to get them out of the picture, which was to get them out of the picture."

A pleasant, amiable young man, who will be called Frank, speaks English peppered with American slang. He wore a pistol in his belt during a series of interviews. Frank calls himself a "counterterrorist," an anti-Communist terrorist. "Communists tell you this: 'I have nothing to lose except my life,'" he said. "I feel the same."

Like most upper-middle- and upper-class businessmen, Frank was educated at the country's finest schools, including some run by the Society of Jesus, the Jesuit order. As an adult, he returned to bomb some of those same institutions and about 30 other targets as well.

"You do it because, because who the hell else is going to do it?" he said. "If we don't do this, in five or six years the United States will be the same way. You have to live it to understand it. You have to suffer the effects of terrorism to realize you have to act the same way against them."

The goal of the civilian terrorists is to banish leftist ideas and supplant them with their own; to ban leftist books and replace them with their own; to eliminate leftist leaders and replace them with their own.

They believe their worst enemies are not guerrillas but priests. Jesuit priests, Mr. d'Aubuisson said in an interview, are the "worst scum" of all. The "Black Pope," he said, invoking the ancient nickname of the head of the order, may have masterminded leftist guerrilla operations not only in El Salvador, but in Cuba and other countries as well.

Frank's friends gave Jesuits money to build a college for their children, the private University of Central America, that would shield them from the leftist influences at the public university.

"The university was created to educate the children of the wealthy," said a Jesuit spokesman. "But it began to opt for social change."

The new university proved a greenhouse for germinating reform proposals and center-left dissidents. A few radical priests quit and became guerrillas. The Jesuits, with their superior educations, seemed to have almost magical powers to contaminate the minds of almost anyone they touched, rightists felt.

Working as businessmen by day and as occasional terrorists by night, the counterterrorists roamed the streets in bullet-proof vans freely after curfew, armed with heavy weapons and carrying ski masks and the names of sympathetic officers who could get them out of a scrape if necessary.

Their idea was to "expose" closet Communists by blowing up their homes and scare



Bodies of nine death squad victims lying in Zaragoza, El Salvador.

them into fleeing. While their above-ground colleagues published documents in rightist papers, the terrorists bombed the Catholic radio station and newspaper. They put the last remaining dissident newspapers out of business. The staffs wound up dead, jailed or in exile.

Autumn of 1980 marked the arrival of a cadre of Argentine secret police who were veterans of Argentina's "dirty war" in the 1970s, which quashed the powerful Montonero guerrillas and also led to the deaths or disappearances of as many as 30,000 guerrillas and civilians thought to be linked to the "subversives."

The Argentines were part of a floating network of radical anti-Communists — Guatemalans, Chileans and others who have worked throughout Central America in the past several years, advising Salvadoran death squads one month and Nicaraguan ex-National Guardmen trying to overthrow the leftist Sandinista regime the next.

The Argentines spent more than two months in El Salvador at the end of 1980, training both civilians and military officers in the methods they had used to quash the Montoneros. In that short period, according to men who worked with them, they helped

organize the Salvadorans' better-kept efforts into a far more efficient system that linked civilians to the nerve center of military intelligence.

Corruption in the war in El Salvador is the one problem on which even leftists and rightists seem to agree.

"It's awfully hard to tell where the just plain graft and corruption begins and the political corruption ends," a U.S. foreign service officer said.

The low-ranking police and new recruits work for their superiors during most of the day, following their bosses' orders, regardless of whether the order is business or a personal favor. In return, they are rewarded by being allowed to make some money on the side, by committing small burglaries, for example.

The same principle applies to killing. "You get a name from the boss or from one of his men, and they'll tell you then what kind of mission it is," Federico said. "Just a score, nothing more," they'll say sometimes. Or "make him disappear forevermore." Or "this one is not for killing." Whatever they say, you don't know whether you're picking him up because he's a subversive or because of something the boss has going."

BUSINESS

Australia & New Zealand Open Offices

G. Yates Ge

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BUSINESS PEOPLE

Australia & New Zealand Banking To Open Offices in Europe, Canada

Australia & New Zealand Banking Group Ltd. has announced that it plans to open its first offices in Continental Europe and Canada in the next few weeks.

The Melbourne-based bank's new representative office in Frankfurt will be headed by Gordon F. Ames, currently manager-international (finance) in ANZ's London branch. R.J. (Jack) Cox will be senior representative of the bank's new representative office in Toronto. He currently is manager, lending and customer services, in one of its branches in Sydney.

Both offices will focus on trade and capital flows between Australia and the countries in which the offices are situated, a spokesman for the bank said.

In the past, ANZ has run its European operations from London, said Ron White, senior manager, operations, in London. ANZ has "decided it's now appropriate to have a positive presence in Germany," he said. Mr. White added that the bank is "always looking" to open new offices in Europe but that it was not considering anything specific at this time. "We'll increase where it seems appropriate," he added.

Elton G. Yates Gets Texaco Post

Texaco started the new year with a series of top level changes in its international management.

Elton G. Yates has been named president of Texaco Latin America/West Africa, a division of Texaco responsible for all petroleum exploration, production, refining and marketing in Central America, the Caribbean area, South America and West Africa.

Robert M. Biehoff, who has been president of Texaco Latin America/West Africa since 1980, has been named chairman of that division and will be taking normal retirement in July of 1984.

C. Robert Black has been named president of Texaco Middle East/Far East, succeeding Mr. Yates. Texaco Middle East/Far East has primary responsibility for Texaco's significant producing interests in the Middle East and Far East that are handled through major affiliates and subsidiaries, notably Arabian American Oil Co. and PT Caltex Pacific Indonesia.

Peter L. Bijker has been named president of Texaco Oil Trading and Supply Co., which is responsible for handling worldwide purchases and sales of crude oil and other petroleum products.

Other Appointments

Harald Langershausen, formerly head of Girard Bank's Swiss investment management company, has joined BHF-Finanz AG in Zurich as managing director. BHF-Finanz is a subsidiary of Berliner Handels-und Bankverein of Frankfurt.

Jean-Claude Vignaud has been named to the new position of international sales manager for Zilog, an affiliate of Exxon Corp. that makes microcomputer circuits, boards, complete systems and software. He will be based in Zilog's headquarters in Campbell, California, and will coordinate the company's sales outside North America through its subsidiaries in England, West Germany, France, Hong Kong and Japan. Mr. Vignaud formerly was in Zilog's Paris office as European sales manager.

Du Pont de Nemours (Deutschland) GmbH, a unit of the U.S.-based chemicals, plastics and energy company, has named Karl M. Landgraf director of marketing for Du Pont Pharmaceuticals. Based in Frankfurt, he is responsible for the marketing of Du Pont's ethical drugs in Europe, the Middle East and Africa.

Geoffrey C. Bible has been appointed executive vice president of Philip Morris International, one of the six operating companies of Philip Morris Inc., a New York-based diversified tobacco company. Mr. Bible will be responsible for the Europe, Middle East and Africa regions of Philip Morris International and for Benson and Hedges Canada, an affiliate. He formerly was managing director of Philip Morris Australia.

Swissair has named Reynold J. Schwab director general for France, based in Paris. He previously was in New York as the airline's director general for North America.

Canara Bank, India's fifth largest, has opened a branch in London, its first overseas office. Named head of the branch is K.T. Bhat, who formerly was in the international division in Bombay. Canara Bank is based in Bangalore.

Steven K. Baker has been named managing director of Citicorp Australia, based in Sydney. He succeeds Francis Catterson, who has moved to Singapore as regional supervisor for credit policy. In addition, Citicorp has appointed David Roberts head of corporate banking activities in Indonesia.

—BRENDA HAGERTY in London
International Herald Tribune

U.S. Says Factory Orders Up

WASHINGTON — U.S. factory orders increased 2.2 percent in November, helped by a surge in military business, but construction spending stayed fairly low, the government said Tuesday.

The lack of growth in spending on construction labor and materials mostly reflected a slowdown in residential housing starts.

The increase in manufacturing orders, following a 1-percent decline in October, was marred by absence of growth in the kind of heavy equipment orders deemed vital for future economic growth. But industrial construction surged 9.5 percent in November.

The latest figures released by the Commerce Department "are somewhat mixed, but the report on inventories, orders and shipments certainly augurs well for production in the coming months," said the department's chief economist, Robert Ortner.

"Housing starts did have some setback but now appear to be holding its own. The sharp dropoff shouldn't continue," he added.

The 2.2-percent increase in factory orders amounted to a jump of \$4 billion, to a November total of \$185.8 billion, after seasonal adjustment, the department said.

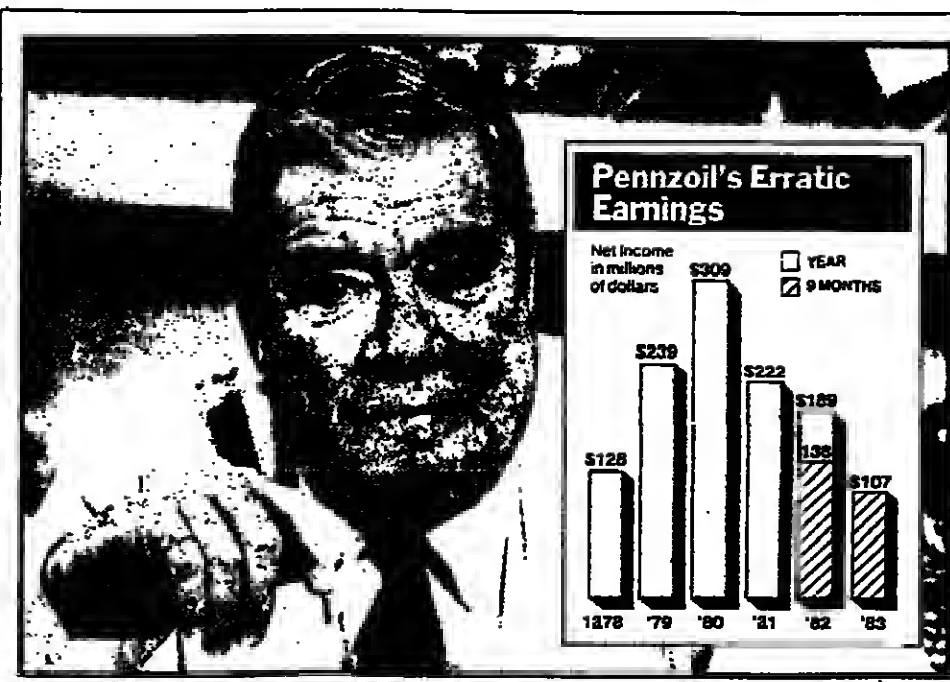
Shipments in November were up 2.6 percent, with especially strong performance in the durable goods industries. Since shipments exceeded new orders, business inventories showed almost no change, up 0.2 percent, or \$400 million, to 1.44 months of supply.

Construction spending held at an annual rate of \$271.9 billion in November, the same as October, seasonally adjusted. An industry analyst said the slowdown was a sure sign that the U.S. economy would have to find other sources of strength this year.

"Certainly we will not be able to do it," said one economist, Michael Smith, speaking for the National Association of Home Builders. "Residential construction is going to do well but it won't add much fuel to the economy."

Durable goods orders were up a revised 4.8 percent in November, mostly reflecting a 44-percent increase in military orders. Had those orders been excluded from October and November's reports the latest increase would have been 0.9 percent instead of 2.2.

Unfilled orders rose 1.3 percent, or \$44 billion, to \$332.5 billion, concentrated in the transportation industries.



J. Hugh Liedtke, chairman of Pennzoil, in his Houston office.

Creative Deal-Maker at Pennzoil Isn't Revealing Goal in Getty Bid

HOUSTON — J. Hugh Liedtke, chairman of Pennzoil Co., who made news last week by offering to buy 20 percent of Getty Oil Co. for \$1.6 billion, is ranked by many in the oil industry as one of its most creative deal-makers. But he is reluctant to say what he wants to achieve in his biggest venture yet.

"We have not honed in on any one approach," he said in an interview last week. "I don't think it's possible to do so until you get into the skin of something."

It seems clear that he wants at least to influence a reorganization of Getty, which is caught in a divisive fight between its management and one of J. Paul Getty's three surviving sons. One possibility, Mr. Liedtke acknowledged, is an exchange of his holding in Getty for some of its oil and gas properties.

Ann Mobley, an oil analyst for E.F. Hutton in

Houston, noted that "acquisitions and imaginative financing tools have been Pennzoil's stock in trade for many years."

Mr. Liedtke and his younger brother, William C. Jr., started out with a small law firm in Midland, Texas, in 1948. Their introduction to the oil business was in putting together oil and gas partnerships.

It did not take long for them to get restless. They joined forces with a former salesman at Dresser Industries to form Zapata Petroleum Corp. — named after the Mexican revolutionary — to explore for oil.

While the Liedtkes thought Zapata's capital was best invested in oil exploration, their partner pressed for formation of a publicly held offshore contract drilling operation that would be a unit of Zapata. That reflected a growing disagreement

(Continued on Page 9, Col.3)

Warner Says Murdoch May Try to Lift Stake

NEW YORK — Rupert Murdoch's company might try to increase its stake in Warner Communications Inc. to 49.9 percent from its current 7 percent, Warner said Tuesday.

Mr. Murdoch, who owns newspapers and magazines in Australia, Britain and the United States, disclosed his intentions through a filing with the Securities and Exchange Commission made by his News America Publishing Inc. unit, Warner said.

The disclosure underscored Mr. Murdoch's apparent desire for a loud voice in the future of the entertainment and consumer-electronics company. And it followed an announcement by Warner that seemed designed to strengthen the company's protection against a hostile takeover bid.

Warner announced last Thursday that it had agreed to a transaction that would give Chris-Craft Industries Inc. control of 19 percent of Warner's voting stock, and Chris-Craft said it planned to acquire additional shares to give it more than a 25-percent interest.

In return, Warner said it agreed to acquire a 42.5-percent stake in Chris-Craft's broadcasting unit, BHC Inc.

But the announcement apparently did not deter Mr. Murdoch, who in the filing said that his companies might acquire up to 32.6 million, or 49.9 percent, of Warner's 65.4 million common shares outstanding.

However, Warner said last week that its agreement with Chris-Craft

called for Chris-Craft to receive 15.2 million newly issued preferred shares convertible into 12 million common shares.

That transaction would increase Warner's total voting shares to 80 million, and subsequently Mr. Murdoch's holding of 32.6 million shares would then represent 40.75 percent of the total.

Warner's stock closed Tuesday on the New York Stock Exchange at \$27.25, up 37 1/2 cents from Friday.

A Holmes spokesman, Geoffrey W. Holmes, said his company had no comment on Mr. Murdoch's disclosure.

A secretary at Mr. Murdoch's New York office said he was unavailable for comment. Stanley S. Shuman, executive vice president of Allen & Co., which is Mr. Murdoch's adviser in the stock purchases, was also said to be unavailable for comment.

Mr. Murdoch currently is Warner's largest shareholder, with 7 percent of its stock. Chris-Craft would displace him in that role under its agreement announced last week, unless Mr. Murdoch carries through with his additional purchases.

Mr. Murdoch and his companies had denied in the past they intended to take control of Warner.

Other analysts also have noted that such a takeover might cause problems for Mr. Murdoch, an Australian, in regard to certain federal regulations, such as those prohibiting foreign companies from

(Continued on Page 11, Col. 4)

World Oil Markets React Calmly to Military Coup in Nigeria

LONDON — Oil markets reacted calmly Tuesday to the military takeover in Nigeria, and the industry appeared wary of predictions that the coup might set off an oil-price war. Trading was thin in Western Europe when it resumed after the New Year break.

The coup had no effect on prices of Nigerian crude oil as business restarted on the spot oil market, because there appeared to be no disruption of supplies and little likelihood of policy changes, oil traders said.

Most sources had discounted initial fears that Nigeria's new rulers might bow to domestic pressure to leave OPEC, boost oil output far above the OPEC-imposed output ceiling of 1.3 million barrels a day and cut prices.

But the possibility of such a move, which would throw OPEC into disarray and spark price cuts in Britain's competing North Sea oil, could still cause lower spot-oil prices in the volatile U.S. market, traders said.

Analysts said comments by Venezuela's oil minister that the takeover might spark a price war could prove more unsettling than the coup itself, though his analysis did not appear to have much support in the market.

The minister, José Ignacio Moreno León, was quoted Monday as having said in Caracas that a price war could spread from Nigeria to North Sea producers to members of OPEC.

Oil markets have long regarded Nigeria as the weak link in OPEC. But the analysts said they were encouraged by assurances from the new military leader, Major General Mohammed Buhari, that Nigeria would remain in OPEC.

Traders said they did not think the coup would cause a disruption of oil supplies or a change in Nigerian oil policy. Nigeria produces about 1.3 million barrels a day — its OPEC quota — and oil accounts for 95 percent of its foreign exchange earnings.

President Shehu Shagari had been under pressure from the opposition and the Senate to negotiate a higher quota or quit OPEC. The Senate recommended last month that the quota be raised to 2 million barrels a day, a figure analysts regard as unacceptable to other OPEC members.

Nigeria, which has a large population, was one of the countries hardest hit by OPEC's decision last March to lower overall oil production to 17.5 million barrels.

Analysts See 4th-Quarter Increase in U.S. Corporate Profits

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Reflecting the economy's expanding improvement and severe cost-cutting, corporate profits for the fourth quarter are expected to show another solid advance, economists and industry analysts say.

Compared with a year earlier, when profits bottomed out at the trough of the recession, the gains should be particularly impressive.

In 1982, "companies were very concerned about their financial survival and took many measures to reduce costs," said M. Kathryn Eickoff, executive vice president at the economic-consulting firm Townsend-Greene & Co. "With break-even points dramatically reduced, this year they are getting the

benefit, and that is reflected in bottom-line gains."

Over all, she concluded, "we are looking at some pretty big numbers for the fourth quarter." Townsend-Greene is forecasting that profits after taxes could exceed \$149 billion at a seasonally adjusted annual rate, up 32 percent from a year earlier.

The increase is not limited to year-to-year comparisons. Paced by healthy gains from automobile manufacturers, retailers and other consumer-goods companies, after-tax profits should rise more than 12 percent from the third quarter, said Jesse M. Abraham, an economist at Data Resources Inc.

He and other analysts say corporations are even healthier than the profits indicate. "Because of the

changes like accelerated depreciation put forward in the 1981 tax act, corporations have a lot more money to play around with," Mr. Abraham said.

The profit trend is not likely to encompass all industries, however.

Steel companies have lost \$5 billion in the previous seven quarters, according to Peter Marcus, an analyst at Paine Webber Mitchell Hinchins, and he says they are likely to have losses totaling \$300 million in the fourth quarter. By his reckoning, among the major companies, only National Intergroup has a chance of reporting a profit.

Barry Good, an analyst at Morgan, Stanley & Co., is not expecting big things from the major oil companies, although a recent rise in

heating oil prices should improve balance sheets somewhat.

"It is awfully late in the game for heating-oil-price increases to help fourth-quarter profits," he said. "This has been another trying year for big oil, the second in a row." Mr. Good estimates that profits for 16 major oil companies will total just under \$19 billion for the year, unchanged from 1982 levels.

The rise in profitability has been proceeding at a fast pace since the second quarter, but U.S. businesses are still a distance from the record quarterly profits of \$170 billion reached during 1979.

"People tend to forget how volatile profits are," said Robert F. Wescott, an economist at Wharton Economics. "When you have a good recovery, you get good profit performance. We have seen a very healthy recovery and a very normal increase in the rate of profits, particularly with the dramatic slowing in unit labor costs."

The impact of cost-cutting is perhaps most evident in Detroit, whose sales increased modestly in 1983, while profitability improved tremendously.

Dollar Shows Strong Gains

LONDON — The dollar rose Tuesday against other major currencies amid expectations of rising U.S. interest rates.

As trading resumed following the extended New Year's holiday, dealers also attributed the dollar's rise to continuing Mideast tension and speculation that Nigeria's new regime would cut its light crude-oil price.

The pound closed in London at \$1.4294 Tuesday, down from \$1.4510 Friday. The dollar closed in Frankfurt at 2.7477 Deutsche marks, up from 2.7410 DM Monday. In New York, it closed at 2.7465 DM up from 2.7215 DM Friday.

Tokyo's market remained closed Tuesday, but the dollar was quoted in London at 231.90 yen, compared with 232 yen Friday in Tokyo.

"Generally speaking, the fourth quarter was a good one for office machine manufacturers, particularly in the case of Xerox," said Robert F. Wescott, an economist at Wharton Economics. "When you have a good recovery, you get good profit performance. We have seen a very healthy recovery and a very normal increase in the rate of profits, particularly with the dramatic slowing in unit labor costs."

(Continued on Page 9, Col.1)

CURRENCY RATES

Interbank exchange rates for Jan. 3, excluding bank service charges									
	\$	£	DM	FF	Yen	Scd	Swk	DKK	Other
Australia	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48
Belgium	36.36	13.76	36.36	13.76	13.76	13.76	13.76	13.76	13.76
Canada	1.33	0.52	1.33	2.82	133.33	1.33	1.33	1.33	1.33
Denmark	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48
France	6.55	2.48	6.55	2.48	2.48	2.48	2.48	2.48	2.48
Germany	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48
Greece	166.67	62.50	166.67	62.50	62.50	62.50	62.50	62.50	62.50
Italy	1.36	0.52	1.36	2.82	133.33	1.36	1.36	1.36	1.36
Japan	133.33	50.00	133.33	282.22	133.33	133.33	133.33	133.33	133.33
Netherlands	36.36	13.76	36.36	13.76	13.76	13.76	13.76	13.76	13.76
Portugal	200.00	75.00	200.00	75.00	75.00	75.00	75.00	75.00	75.00
Spain	166.67	62.50	166.67	62.50	62.50	62.50	62.50	62.50	62.50
Sweden	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48
Switzerland	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48
Taiwan	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48
UK	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48
US	1.48	0.62	1.12	2.35	167.50	1.36	1.48	1.48	1.48

Source: Reuters. All rates are for 100 units of foreign currency per 1 U.S. dollar. N.A. = not available.

INTEREST RATES

Eurocurrency Deposits Jan. 3									
	1M	3M	6M	9M	12M	18M	24M	36M	48M
1M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
3M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
6M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
9M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
12M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
18M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
24M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
36M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
48M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Source: Reuters. All rates are for 100 units of foreign currency per 1 U.S. dollar. N.A. = not available.

Key Money Rates

United States									
	1M	3M	6M	9M	12M	18M	24M	36M	48M
1M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
3M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
6M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
9M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
12M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
18M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
24M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
36M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
48M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Source: Reuters. All rates are for 100 units of foreign currency per 1 U.S. dollar. N.A. = not available.

West Germany

West Germany									
	1M	3M	6M	9M	12M	18M	24M	36M	48M
1M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
3M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
6M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
9M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
12M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
18M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
24M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
36M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
48M	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Source: Reuters. All rates are

	Vol.	High	Low	Close	Chng
ATT Wt	2554	18 1/2	17 1/2	17 1/2	+ 1/2
AT&T	1892	42 1/2	41 3/4	42 1/4	+ 1/4
AMT	1057	34 1/2	33 3/4	34 1/4	+ 1/4
AMR	837	23 1/2	23 1/8	23 1/2	+ 1/8
IBM	728	123 1/2	121 3/4	121 3/4	+ 1/4
GoPac	720	18 1/2	18 1/8	18 1/2	+ 1/8
Chtrs of	597	28	26 1/2	26 1/2	+ 1/2
LLC	547	21	20 1/2	20 1/2	+ 1/2
LuCom	542	41 1/2	40 1/2	41 1/4	+ 1/4
WACOM	522	19 1/2	19 1/8	19 1/2	+ 1/8
Elcom	314	22 1/4	21 3/4	22 1/4	+ 1/4
Heintz	295	25 1/2	24 1/2	25 1/2	+ 1/2
IntCrn	270	18 1/2	17 1/2	18 1/2	+ 1/2
LTU	493	15 1/2	14 3/4	15 1/2	+ 3/4

Dow Jones Averages					
	Open	High	Low	Close	Chg.
Indus	1228.43	1244.73	1247.46	1232.74	-5.95
Trans	399.89	403.23	399.24	393.84	-4.40
Util	131.85	132.47	130.39	131.54	-0.58
Comp	302.08	305.49	301.99	303.14	+2.80

NYSE Divides		
	Close	Prev.
Advanced	830	859
Declined	263	276
Unchanged	83	83
Total Issues	2515	2673
New Issues	34	59
Volume	13	29
Volume up	27,922,690	
Volume down	36,322,880	

NYSE Index				
	High	Low	Close	Ch'ge
Composite	95.72	94.69	94.67	-0.05
Industrial	111.25	110.45	110.45	-0.70
Transp.	98.08	97.22	97.22	-0.86
Utilities	66.23	66.23	66.23	0.00
Finance	94.22	93.77	93.77	-0.25

Odd-Lot Trading in N.Y.			
	Buy	Sales	\$'Sht
Dec. 30	181,594	364,459	1,367
Dec. 29	173,455	471,084	1,438
Dec. 28	171,154	426,512	1,424
Dec. 27	143,906	297,957	1,078
Dec. 23	144,216	326,473	945

*Included in the sales figures

**Tuesday's
NYSE
Closing**

Vol. at 4 p.m. _____	77,249,000
Prev. 4 p.m. Vol. _____	77,840,000
Prev Consolidated Close	86,722.220

**Tables include the nationwide prices
Up to the closing on Wall Street**

AMEX Dories			
		Close	Prev.
Advanced		356	354
Declined		299	297
Unchanged		197	212
Total Issues		837	865
New Highs		14	14
New Lows		5	19
Volume		2,923,678	
Volume up		2,781,278	

Standard & Pooers Index				
	High	Low	Close	Ch'ge
Industrials	186.34	184.96	185.01	-1.23
Transp.	31.25	30.77	30.82	-0.39
Utilities	66.41	66.00	66.81	+0.84
Finance	10.15	12.96	12.98	+0.15
Composite	164.93	163.76	164.04	-0.07

NASDAQ Index				
	Close	Week Ago	Year Ago	
Composite	277.43	-0.77	276.68	271.64
Industrials	288.25	-1.42	321.18	272.44
Finance	277.12	-0.48	276.25	268.96
Utilities	256.68	-0.95	256.11	224.49
Insurance	248.73	-0.46	267.82	250.35
IT/ITES	284.61	-0.75	284.61	250.35
Banks	288.25	-0.75	278.84	194.27
Transp.				

Dow Jones Bank Averages		
	Close	Ch/g
Banks	49.42	+0.15
Utilities	66.07	+0.14
Industrials	75.17	+0.19

AMEX Stock Index					
	Vol.	High	Low	Close	Chg%
Vrbmt S	\$135	14	13 1/2	13 1/2	+ 1/4
Wong S	2257	34 1/2	34	34 1/2	+ 1/2
Cyrus	129	5	4 1/2	4 1/2	+ 1/4
Circuk	128	23 1/2	24	23 1/2	+ 1/4
Actlon	121	13	12 1/2	12 1/2	+ 1/4
ImcOI	1182	29 1/2	29 1/2	29 1/2	+ 1/4
Schoen S	1167	7 1/4	7 1/4	7 1/4	+ 1/4
Merck S	1047	24	24	24	+ 1/4
TIE S	1047	24	24	24	+ 1/4
Dorcas	825	5 1/4	5 1/4	5 1/4	+ 1/4

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Lowell	1	11	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227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BUSINESS BRIEFS

British Recovery Is Likely to Falter

On Slower 1984 Growth, Brokers Say
LONDON (Combined Dispatches) — Britain's economic recovery is likely to falter in 1984 after slowing slightly this year, according to forecasts by two London stockbroking houses Tuesday.
Phillips & Drew predicted a 2.5-percent rise in gross domestic product in 1984, while Laing & Quirk forecast a 2.2-percent increase. The two forecasts, based on a predicted fall in consumer spending, contrast with government predictions of growth of around 3 percent in 1984.
The stockbrokers warned that the spring budget might bring tax increases as the chancellor of the Exchequer, Nigel Lawson, tries to keep a tight grip on spending. Mr. Lawson was reported as saying Tuesday that the new year will see a reduced level of unemployment and possible tax increases. (Reuters, United Press International)

Fabergé Inc. Is Discussing Buyout

NEW YORK (Combined Dispatches) — Fabergé Inc. said Tuesday that it is conducting preliminary discussions with a private investment banking firm that has proposed to organize a group of private investors to acquire Fabergé in a leveraged buyout at \$30 a share.
The company said there can be no assurance that any agreement will be reached.
The company is holding talks with the private investment banking firm of Gibbons, Green, Van Amerongen about the possible buyout. Shamrock Holdings said it has bought 13.84 percent of Fabergé's stock. (UPI, Reuters)

BNOG Said to Near Pact on Prices

LONDON (Reuters) — More than half the customers of the state-owned British National Oil Corp. are believed to have accepted the company's proposals to freeze North Sea oil prices in the first quarter of 1984 around the current \$30 a barrel reference price, oil industry sources said Tuesday.
BNOG officials declined comment, but the sources said they would be surprised if there were any change now in Britain's North Sea oil prices for the first quarter.
BNOG has 20 to 25 customers for its oil and when it has secured a consensus view from them, it will present this to its suppliers, numbering around 40, for approval.

CIGNA Agrees to Purchase AFIA

PHILADELPHIA (UPI) — CIGNA Corp. said Tuesday it had signed definitive agreements for the purchase of AFIA, an international insurance underwriting association based in New York, for \$215 million.
The acquisition is subject to closing on or before Jan. 31 and various approvals by U.S. and foreign regulatory authorities.
AFIA, with \$1 billion in annual premiums, is an international insurance underwriting association providing property, liability, marine, accident and health, surety and life insurance to customers in about 130 countries.

Turkey's Central Bank Chief Resigns

ANKARA (Reuters) — The governor of Turkey's central bank, Osman Siki, has resigned, the bank announced Tuesday. The move had been expected since the newly elected government of Prime Minister Turgut Ozal took office last month.

Analysts See 4th Period Gain

(Continued from Page 7)
larity IBM," said Ullrich Weil, a principal at Morgan, Stanley. The fourth quarter is always better than the third quarter because of the budget cycle for many companies, which find they can purchase machines that earlier in the year they didn't think they could buy.
"Mr. Weil estimates that International Business Machines Corp. earned about \$1.8 billion in the fourth quarter, up from \$1.5 billion for the 1982 quarter. For all of last year, he estimates earnings "close" to \$2.5 billion, up from \$4.4 billion. According to Miss Eickoff, farm-equipment companies may report surprisingly strong results for the quarter.
"There is a huge supply of equipment on dealer's lots, and there was

In-Home Banking Is Off to Early Start in Britain

Building Society Offers Full Service Despite Caution of Competitors

By Barnaby J. Feder
New York Times Service

NOTTINGHAM, England — While U.S. banks have been cautiously testing computer-linked, in-home banking, one pioneering British savings bank has had a full-scale program going for a year.

All but unknown outside this ancient city in the East Midlands, the bank, the Nottingham Building Society, has taken an early and apparently profitable lead over its competitors. Its "Homelink" program provides a variety of banking and other services to consumers in their homes.

"The difficulty for my competitors is that they don't know whether they want to try to match me," John Webster, Nottingham's managing director, said at the bank's headquarters. "Each day they wait to see how electronic home banking is developing. Is another day we get further ahead."

Nottingham decided not to start with limited pilot programs, Mr. Webster says. Instead, it made a full-scale commitment, setting up an electronic link with the Bank of Scotland and Prudential, a service of state-owned British Telecom that allows homeowners to call up news and commercial information on their television sets for the price of a local phone call.

From the beginning, Mr. Webster says, Homelink offered customers nonbanking extras, such as the ability to shop at major retailers without leaving home.

Mr. Webster and colleagues decline to provide figures on the number of consumers participating in the venture, its growth since it began a year ago or its financial performance. That information is vital

to potential competitors, they say.

But no one doubts that Homelink has many thousands of customers and is expanding. It was originally intended to serve businesses and professionals outside the Nottingham region. Marketing broadened in September when volume shipments of home-computer terminals, tailored to Homelink needs, became available.

Homelink now has customers throughout Britain, in Denmark and Belgium, and is about to connect electronically with Hoog Kong, New Zealand and Australia. Prestel officials have estimated that Homelink will have 100,000 users by 1986.

Homelink users have a computer terminal connected to their telephone and television. The user's own home computer can be used or Nottingham will provide a terminal. The \$350 terminal is supplied free to 12,000 of its depositors with large accounts and is available at a substantial discount to 18,000 others.

Homelink offers a wide range of banking operations. Its users can transfer money between accounts, pay bills and arrange loans. They can also compare prices and order goods from a few major retailers, check local restaurant menus or real estate listings, arrange vacations through the Thomas Cook Group, enter bids in Homelink's regular tele-auctions and send electronic mail to other Homelink users.

And new services are being added. "If you center on three or four services, you won't win," said Mr. Webster. "Everybody uses the home banking, but different groups are attracted by different additions."

Homelink users who agreed through Nottingham to be interviewed supported that view.

Robert Hallett manages a restaurant near London and was one of Homelink's earliest users. He said that while home banking was the main attraction, he has participated in both auctions and a monthly competition for cash prizes. The competition was designed to attract deposits from thousands of Britons who buy interest-free government bonds in the hopes of winning a lottery open to bondholders.

Ronald Miller, a Glasgow optician who recently subscribed to the service because he was "fed up" with bank lines, is hoping that eventually he will be able to send electronic mail over Homelink to a cousin in Winnipeg.

Mr. Webster said that Homelink has a backlog of 300 software projects that will improve or add services. Lack of trained programmers has caused a bottleneck, he said.

One key development will be extension of the system's connections with CompuLink, a U.S. company whose electronic equivalent of a mail order catalog has stirred interest among Homelink users.

Talks are also under way to sell insurance, increase home grocery shopping options now offered in parts of London and provide services such as route planning for private airplane pilots.

"Customers have an insatiable appetite for new developments," said S.E. Brandreth, Nottingham's deputy general manager.

Mr. Webster said: "I am delighted because all my competitors are saying that the U.S. experience

shows that people aren't ready for tele-shopping. They have all made a big mistake in trying to test consumer response with trial programs, which leaves people unsure about what's offered and how permanent it will be."

Alan Best, who has overseen a market research program at the Midland Bank that offers 300 customers a chance to make account inquiries via their home television sets, sees some validity in that argument. "There has been a much higher level of interest than we expected," he said. "It's highly likely that home banking will develop as an add-on to other facilities."

In-home banking in the United States is still in its infancy with companies still working to perfect their systems. Chemical Bank in New York City, for example, is working the bugs out of its Pronto service, which offers features that are somewhat more limited.

Midland, publicly at least, is the most advanced of Britain's large commercial banks in the home banking field. It will decide in the next six months whether to increase its involvement substantially. Mr. Best said that technical concerns and doubts about demand are holding up development, not fears about the impact of home banking on the thousands of branch banks operated by Britain's leading commercial banks.

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Pennzoil Chief Isn't Revealing Goal

(Continued from Page 7)

over the future of Zapata, so the Liedtke severed ties with their partner.

Today, that partner — George Bush — is vice president of the United States and the Zapata drilling operation has become Zapata Corp., one of the world's largest offshore drilling contractors.

In 1961, Mr. Liedtke told the controlling owner of South Penn Oil Co., J. Paul Getty, that he could make the shareholders more money by running the company himself.

Until that point, Zapata Petroleum had been involved in some cooperative drilling programs with South Penn. The advice to Mr. Liedtke was to buy some stock; a year later Mr. Getty asked Mr. Liedtke to become president.

There followed a series of maneuvers that resulted in the merger of Zapata Petroleum and another Midland-based oil company — Stetco Petroleum Corp. — into South Penn. The new company was named Pennzoil. After other lucrative acquisitions, it was on its way to becoming a major domestic natural resources company.

Mr. Liedtke's first major purchase as head of Pennzoil was Wolf's Head Oil and Refining Co. Then in 1965, Pennzoil bought United Gas Corp., which included majority control of a mining company, a large natural gas pipeline system and a gas utility.

Pennzoil soon learned, however, that it could not make satisfactory returns by operating companies that regulators limited to a rate of return, so it sold what has since become Entex Inc., the retail natural gas distributor for Houston.

Pennzoil saw a similar fate for the pipeline portion of United Gas. After an attempt by the federal government to block a spinoff, Pennzoil prevailed in 1974. The pipeline system now is the principal business of United Energy Resources Inc.

During these regulatory snarls, Mr. Liedtke experimented with an innovative plan to finance a quasi-public entry into exploration ventures in the Gulf of Mexico.

The company formed Pennzoil Offshore Gas Operators, often called Pogo, and an exploration

subsidiary by issuing stock and debt. The money raised indirectly gave Pennzoil the power to bid successfully against industry heavyweights in the gulf.

Mr. Liedtke attempted to accomplish this feat again with Pogo — Pennzoil Louisiana and Texas Off Shore. But the high-stakes exploration game proved Pogo's downfall and Pennzoil eventually dissolved Pogo by buying back the shares that were publicly held.

A management contract limited Pogo to federal acreage in the Gulf of Mexico. Because the most attractive leases at the time had been purchased, Pogo decided to broaden its scope of operation. Consequently, Pennzoil surrendered its partial ownership and Pogo became an independent oil company headed by William Liedtke.

Floating Rate Notes

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Banks			
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SPORTS

Miami Shocks Nebraska; Auburn Wins, 9-7

Foiled Conversion Halts Cornhuskers, 31-30 Field Goal Defeats Michigan

By Gordon S. White Jr.

New York Times Service

MIAMI — In one of the most stunning and exciting reversals in the history of college football bowl games, the University of Miami raced to a 17-0 lead in the first quarter and then held to a 2-point conversion attempt with 48 seconds left to upset top-ranked and previously undefeated Nebraska, 31-30, in the Orange Bowl here Monday night.

Bornie Kozar, the spectacular freshman quarterback, passed for 300 yards and two touchdowns and set up the other scores as Miami broke Nebraska's 22-game winning streak, the longest in the nation. Miami registered its 11th consecutive triumph since a 28-3 season-opening loss to Florida.

Ken Calhoun, a junior defensive back, preserved the Hurricanes' biggest victory ever when he baited down a pass from quarterback Turner Gill to Jeff Smith as Nebraska attempted to win on a 2-point conversion. The 12-1 Cornhuskers, who had not lost since being

freshman's throwing arm. Kozar built the 17-0 lead on the Hurricanes' first three possessions after twice passing for touchdowns to Glenn Dennison in the opening 14 minutes. Between those passes, Ed Davis made a 45-yard field goal.

Nebraska's offense then began to recover the damage permitted by its rattled and broken defense. The Cornhuskers displayed some of their customary scoring power as Kozar began to run for big gains on a pair of drives that got Nebraska two touchdowns before the half ended.

But Kozar, who tied the National Collegiate Athletic Association season record of 29 touchdowns in 1983, did not score Monday night. Before the injury to his left ankle, he had 147 yards on 25 carries.

It took a trick play for Nebraska to get its first touchdown. That was a 19-yard run by right guard Dean Steinkuhler — on an intentional fumble. The center left the ball on the ground and Steinkuhler pulled left, picked up the ball and ran into the end zone. Steinkuhler won the Outland Trophy as the nation's best interior lineman.

Nebraska scored its second touchdown on a 64-yard drive that ended when Gill went in from the 1. But Nebraska, which this year had never trailed by as much as 17-0, was behind at halftime for only the second time this season. And although the Cornhuskers got a field goal to tie the score at 17 early in the third period, they could not contain Kozar.

He passed Miami into position for two third-quarter touchdowns that gave the Hurricanes their 31-17 lead. The first of these came on a 1-yard drive by fullback Alonzo Highsmith; the second was on a 7-yard run by tailback Albert Bentley.

With Smith at tailback in place of Kozar, Nebraska stormed back for the second time in the game. Smith scored twice in the final period on runs of 1 and 24 yards. After the final TD, everyone in the Orange Bowl knew Nebraska would go for two points to try to preserve its status as the top team in the land.

The Miami defense was tested to its utmost as Gill, a veteran of three seasons, rolled right with the option to pass or run. He passed to Smith, who had gone into the right corner of the end zone. But Calhoun, who had a strong game throughout, slapped the ball away.

Nebraska Coach Tom Osborne never wavered in his decision to go for two points. "I don't think our players or anybody would have been satisfied if we backed in by kicking the point," he said. "That's not the way the game is played."

"He's a champion," said Howard Schmellenberger, the winning coach. "And he went after it like a champion."

By John Feinstein

Washington Post Service

NEW ORLEANS — Al Del Greco kicked a 19-yard field goal with 23 seconds left to play, giving third-ranked Auburn a 9-7 victory over Michigan in the 50th annual Sugar Bowl game here Monday night.

The victory left the Tigers with an 11-1 record for the season and a claim to the national championship.

SUGAR BOWL

Michigan, ranked ninth coming in, finished 9-3 as Coach Bo Schembechler's bowl record dropped to 2-9 despite the heroic efforts of his defense.

"If our offense had done anything at all in the last three quarters they wouldn't even have scored nine points," said losing quarterback Steve Smith, who jammed his throwing hand index finger on a helmet in the first quarter and completed only 9 of 25 pass attempts.

"You just can't leave your defense on the field all night."

The Michigan defense was on the field for 17 minutes and 32 seconds, but the most significant stretch came during the game's final 7:44, when Auburn drove 60 yards in 15 plays, all of them on the ground, to set up Del Greco's winning kick.

Michigan had led, 7-0, Smith scoring the game's only touchdown midway through the first quarter on a 4-yard option sweep around right end. But once Smith hurt his finger the Wolverine offense stopped dead, picking up only three first downs until its final possession after Del Greco's kick.

Michigan had a chance to put the game on ice when it stopped the Tigers on a fourth-and-inches play at the Auburn 45 with 13:44 left, but two plays later linebacker Gregg Carr intercepted a Smith pass that had been deflected by linebacker Jeff Jackson. Both defenders had both blitzed straight up the middle, Jackson hitting Smith's arm and Carr grabbing the wobbly football. Michigan never threatened seriously again.

Auburn took over at its own 38 with the season on the line. At that point, the Tigers had run 59 plays; only 2 of their 6 passes had been completed for a total of 21 yards. Auburn was going to live or die on the ground.

"We just had to dig in and keep our legs moving on every carry," said fullback Tommie Agee, a tackle-breaking terror on the final drive. "We all knew exactly what was at stake."

Agee, who finished with 93 yards on 16 carries, picked up 12 yards to the 50. Three plays later, on 4th-and-2 from the 42, Lionel James (16 carries, 83 yards) took an option pitch from quarterback Randy Campbell and picked up four. The Superdome's crowd of 77,893 was in full roar.

Bo Jackson, voted the game's most valuable player after rushing for 130 yards and 12 carries, picked up 7 yards to the 31. Two plays later, Agee blasted through the middle, breaking three tackles and reaching the 17. There were less than three minutes left and no one was calling time out.

Jackson got four yards and Agee slammed up the gut for eight more.

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—to the five. "I thought we might punch it in for the touchdown," Campbell said. "But their defense was just so tough, so tough."

Three times Auburn tried to get in the end zone. Three times, it was denied. So, with the ball on the right hash mark at the two-yard line, Del Greco trotted on.

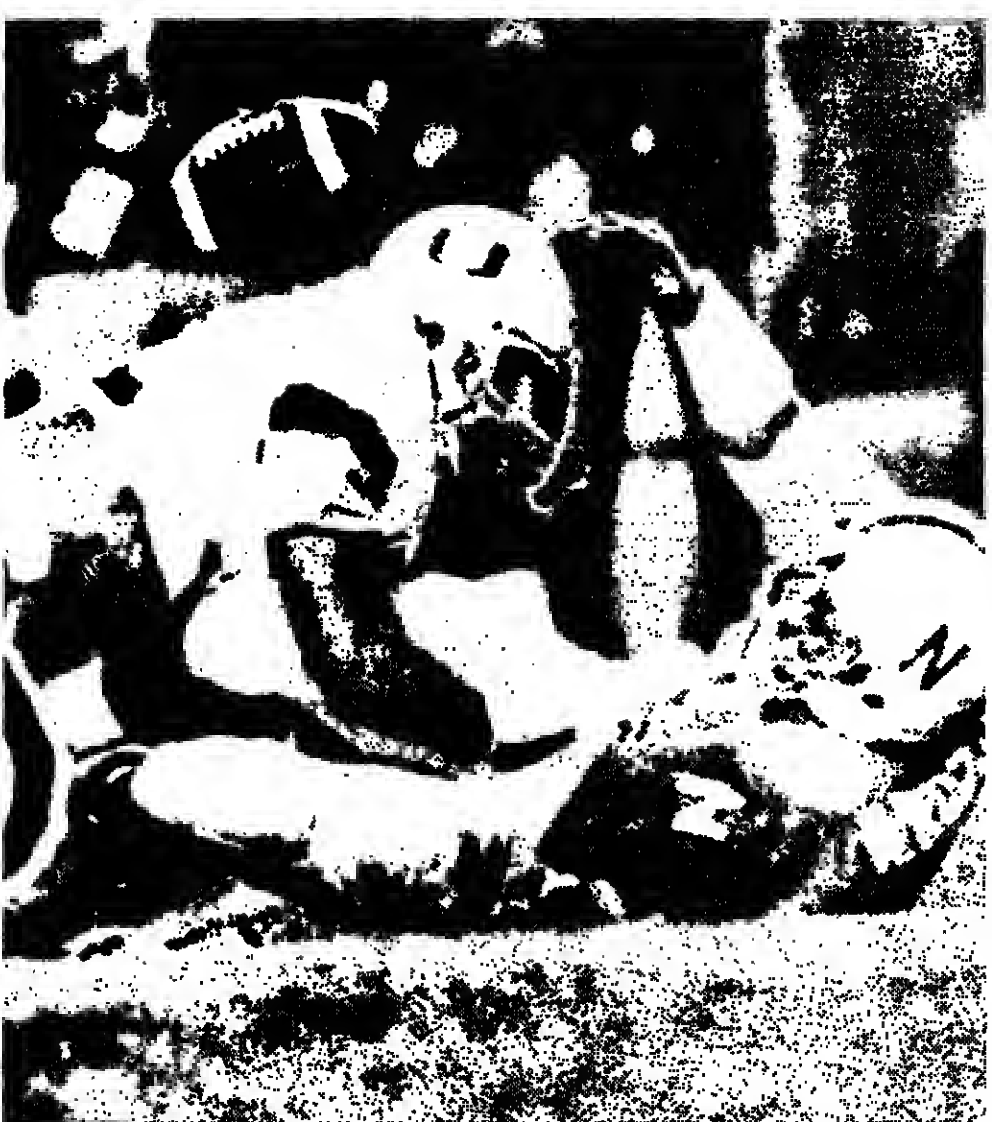
"Every kicker always sits back and dreams of a situation like that," said Del Greco, a senior. "I must have sat in my room and thought about a game like this hundreds of times. When I went on the field I looked at [right end] Ed West, and he had tears in his eyes. He just said, 'Let's do it, Al.'"

Auburn Coach Pat Dye was taking the kick for granted. "I was thinking, we want to kickoff deep, let them run two plays and that will be the game," he said.

But from his 15, following the kickoff, Michigan's Smith tried for a miracle. He hit Vince Bean for 22 yards and the Wolverines used their last time-out with 10 seconds left. Smith, scrambling, then found Triando Markray at the Auburn 45, and Markray scrambled to the 25 — close enough to try a field goal. But Markray had stepped out of bounds a second after the clock hit zero.

"Whoever they pick for the national championship, no one can take this feeling away from us," said Auburn's Carr. "This was as tough and physical a football game as I've ever played in. You always talk about a game being 60 minutes of hitting, hitting, hitting."

"This was one of those rare games that really was like that."



He gained 147 yards on 25 carries, but Heisman Trophy winner Mike Rozier of Nebraska had a rough Orange Bowl. Having tied the NCAA season record of 29 touchdowns in 1983, Rozier did not score Monday; he fumbled the ball away, above, in the first period and sprained his left ankle in the third, finishing him for the night. Nebraska was upset by Miami, 31-30.

UCLA Crushes Illinois, 45-9, in Rose Bowl

By Malcolm Moran

New York Times Service

PASADENA, California — The 1984 Rose Bowl was supposed to be different. Illinois was representing the Big Ten Conference for the first time in 20 cold years, and with a coach and pass combination imported from California the Illini — ranked fourth and fifth nationwide, respectively. The Associated Press and United Press International — had come to beat UCLA and the Pacific 10 Conference at its own game.

All these years when the Big Ten was grinding it out were ancient history, prehistoric football.

For the Illini, the 1984 Rose Bowl turned out to be one embarrassing shock after another. They lost to the Bruins, 45-9, before a crowd of 103,217 and a national television audience.

Unranked UCLA, which started the season with an 0-3-1 record, finished at 7-4-1 and did not reach the Rose Bowl until the season's final weekend, when it defeated Southern California and Washington.

The Bruins drove to the Illinois 26, but when a third-down pass was broken up by Craig Swoope, the UCLA attempted a 45-yard field goal. John Lee's kick was blocked by Luke Scall, the ball bounding inside the 10-yard line. Swoope picked up the ball at the 5, but he fumbled when he was hit by Harper Howell. The ball was recovered by Steve Gemma, and the Bruins suddenly had a first down at the Illinois 14.

Four plays later, Neubeisel passed three yards to tight end Paul Bergmann for a touchdown.

That was the beginning of a half in which it seemed anything that could possibly go wrong for Illinois did.

Immediately after Bergmann's TD, the Illini appeared to settle down. They drove 49 yards to the UCLA 24, and Chris White's 41-yard field goal cut the deficit to 7-3.

But after the next Bruins drive, including a 23-yard reverse by Karl Dorrell and concluding with a 28-yard touchdown run by Kevin Nelson, Illinois was forced to take more chances. And the more chances it took, the worse its situation became.

A rebuilding program that Coach Mike White had engineered in the last four seasons began with a wide-open passing game and did not reach this season's level of success until a reliable running game provided balance. But when the Bruins took a 14-3 lead with fewer than 20 minutes gone in the game, Illinois went back to the days when Tony Eason and Dave Wilson thrived on nearly every down.

In one unsuccessful stretch, Trudeau passed on 14 straight plays. The 12th consecutive pass became Rogers' second interception, and he returned the ball to the Illinois 11. On the second play of the ensuing series, Neubeisel threw toward Dorrell, who was running a slant pattern in the end zone and caught the ball for the second UCLA touchdown within 36 seconds. Lee's conversion made the score 21-3.

Trudeau passed — the 13th and 14th times in a row — on the first two plays of the next possession, advancing to midfield. When the Illini finally went back to the run, Dwight Beverly fumbled and safety Joe Gasser recovered Illinois' fourth turnover at the UCLA 47.

Illinois recovered a Bruin fumbled five plays later — but lost three yards in three plays and was forced to punt. The UCLA offense took the ball at its 43, and on third down Neubeisel found Mike Young at the 15. Young, who beat freshman cornerback Keith Taylor, went on to complete a 53-yard touchdown play that upped the lead to 28-3.

Taylor, voted rookie of the year by his teammates, was again left flat-footed when Young went by him for a 44-yard gain. Soon thereafter, Dorrell (Taylor defending) caught a 15-yard TD pass for a 35-3 lead. Neubeisel's fourth interception, a 15-yard TD pass for a 35-3 lead. Neubeisel's fourth interception, a 15-yard TD pass for a 35-3 lead. Neubeisel's fourth interception, a 15-yard TD pass for a 35-3 lead.

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Polarization of Stars and Slums

International Herald Tribune

LONDON — The alienation of the soccer star from his roots can rarely have been more obvious. More unclad feet chase ragged substitutes for a ball in Brazil than anywhere else on earth, and from Brazil came two brief agency stories at the turn of the year. This newspaper published them last Friday.

On the sports page we read that Socrates, the national captain, will quit his \$13,000-a-month soccer job in 1986. His last playing days will be in Sao Paulo — provided Corinthians FC renews its contract on "a satisfactory basis."

On Page 2, afforded equal weight of two paragraphs, a new Brazilian austerity program was reported. Public workers, a third of the

country's 48 million employees, will take a pay cut to demonstrate a certain determination to curb government spending and secure yet another wage loan.

There was no announcement concerning the millions whose dream is to rise out of shantytown impoverishment through soccer skill. Government spending has not afforded many of them an education, so they may not have been able to read that Dr. Socrates's wealthy playing career might easily outlast the life of the Maracana, the world's largest soccer stadium.

Brazil's economic misery is apparently symbolized in the crumbling of this 180,000-capacity bowl. Its seats, disintegrating, the scoreboard lighting out, and the pitch on which even local slummers to Pelé have competed since 1950 is lumpy. Hardly befitting a \$13,000-a-month artist.

But one cannot pillory Socrates alone. He at least has remained in Brazil (admittedly because his eventual calling is to treat children as a qualified medical doctor), and he almost alone represents the intuitive tone-by-play against which contemporary Brazil has shamelessly craved.

Socrates came from streets where an orange did the work of a soccer ball. True, he now earns enough to have shrouded off a burglary of \$20,000 in U.S. banknotes from his home, but without him and his ethics the state of Brazilian soccer in 1983 would have sunk to unspeakable depths.

He will be 30 in a few weeks' time and has surprised the urge to get back to hospital work. Time enough, perhaps, for when Zico, one of the country's famous mercenaries, recently returned from Italy to Rio for Christmas, his purpose was to in a court battle for \$600,000 — a share of the \$4 million Uddesjö estate in Flamengo for his services.

"When I come back," Zico musings said, "I will play for Flamengo for nothing." When? Oh, after two years or so.

Of course, the astronomical sums a Socrates and a Zico will do

anything, but stop the slum kids from dreaming of rags-to-riches fame. Of course, out of their poverty, soccer itself will flourish because it costs nothing and there are no distractions, no coaching manuals to cramp inventiveness.

But in the tier above the penniless, possibly in the public-workers sector, alienation between stars and supporters must be ferocious. The star uses the papers to negotiate his demands; the worker takes his money and goes home.

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\$13,000-a-month Socrates Shadowing Italy's Paolo Rossi.

He at least has the opportunity. Before Tottenham's home match last Monday, players and spectators were bowed in silent tribute to Peter Southey, who had been granted a senior match and 21 years of life before he died of leukemia.

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Football Bowl Games

Independence Bowl, Dec. 10: Air Force 9, Mississippi 3.

Citrus Bowl, Dec. 17: Tennessee 30, Maryland 23.

Hofstra Bowl, Dec. 22: West Virginia 20, Kentucky 14.

Holiday Bowl, Dec. 23: Brigham Young 21, Missouri 17.

San Bowl, Dec. 24: Alabama 28, Southern Methodist 17.

Great-Great Game, Dec. 25: Gray 17, Blue 13.

Alamo Bowl, Dec. 26: Penn State 13, Washington 10.

Alamo Bowl, Dec. 27: Notre Dame 16, Boston College 14.

Peach Bowl, Dec. 28: Florida State 28, North Carolina 3.

Bluebonnet Bowl, Dec. 29: Florida 14, Iowa 4.

Bluebonnet Bowl, Dec. 31: Oklahoma State 24, Baylor 14.

Capital Bowl, Jan. 2: Georgia 31, Texas 9.

Pleasant Bowl, Jan. 2: Ohio State 28, Pittsburgh 17.

Orange Bowl, Jan. 2: UCLA 45, Illinois 9.

Super Bowl, Jan. 2: Auburn 9, Michigan 7.

East-West Shrine Game, Jan. 7: In Pasadena, California: East vs. West.

Hoof Bowl, Jan. 7: In Houston: East vs. West.

North vs. South.

College Basketball Polls

The Associated Press

NEW YORK — The top 20 teams in The Associated Press college basketball poll, 11th round votes in parentheses:

Record Pts

1. North Carolina (40) 84 1044

2. DePaul 114 1044

3. Georgetown 104 924

4. Georgetown 104 924

5. Maryland 81 882

6. Maryland 81 882

7. Houston 104 707

8. Wake Forest 94 655

9. Louisville 81 604

10. Texas-El Paso 114 597

11. Georgia 81 500

12. North Carolina 104 461

13. St. John's

